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THE OFFERING IS ONLY BEING MADE TO INVESTORS WHO ARE OUTSIDE OF THE UNITED STATES OF AMERICA AND MEET OTHER APPLICABLE RESTRICTIONS

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CONFIRMATION OF YOUR REPRESENTATION: In order to be eligible to view this IOM or make an investment decision with respect to the securities, investors must be outside the United States of America. By accessing this IOM, you shall be deemed to have represented to the Company and the Managers that (1) you and any customers you represent are outside of the United States of America and (2) you consent to delivery of such IOM by electronic transmission. Other restrictions may apply as set out in the attached IOM and you shall be deemed to have represented to the Company and the Managers that you have complied therewith.

You are reminded that this IOM has been made available to you on the basis that you are a person into whose possession this IOM may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver or disclose the contents of this IOM to any other person. The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Managers or any affiliate of the Managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Manager or such affiliate on behalf of the Company in such jurisdiction.

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PRELIMINARY INTERNATIONAL OFFERING MEMORANDUM



International offering of up to 6,211,420 Offered Shares

Offering Price: Expected to be in a range between EUR 3.24 and EUR 3.96 per Offered Share, nominal value of EUR 0.25 per share

This is the initial public offering of up to 6,211,420 Offered Shares (as defined below) of OREGÉ S.A., a French *société anonyme à directoire et conseil de surveillance* (the “**Company**”), if the Extension Clause and Over-allotment Option (as defined below) are fully exercised. The Offering (as defined below) includes a public offering mainly directed to individuals in France and a private placement mainly directed to institutional investors in France and outside France but excluding the United States of America, Canada, Australia and Japan. This international offering memorandum (the “**IOM**”) relates only to the international offering. The retail public offering in France is being made pursuant to a separate offering document in the French language.

It is currently proposed that the Offering Price (as defined below) will be between EUR 3.24 and EUR 3.96 per Offered Share. This range is indicative only and may change. The Offering Price for the Offered Shares subscribed in the retail public offering in France and in the international offering will be the same. The final allocation of Offered Shares between this international offering and the French public offering will be determined at the time the results of the retail public offering in France are known. Certain shareholders of OREGÉ have also granted to Société Générale, acting on behalf and for the account of Société Générale (the “**Sole Lead Manager and Joint Bookrunner**”) and Invest Securities (the “**Joint Bookrunner**”, together with the Sole Lead Manager and Joint Bookrunner the “**Managers**”), an Over-allotment Option (as defined below) to purchase up to 931,713 Existing Shares (as defined below), for the purpose of covering over-allotments, if any.

We will apply to list our Existing Shares (currently listed on the Marché Libre) and the New Shares on the regulated market of NYSE Euronext in Paris (“**Euronext Paris market**”). We expect our Existing Shares and New Shares to be listed and quoted on Euronext Paris market on or about July 3rd, 2013 under the symbol “OREGE”.

Investing in our Offered Shares involves certain risks. See sections entitled “Risk Factors” beginning on page 34 and on page 92. You should consider these factors before subscribing for the Offered Shares.

Our Offered Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or under any securities laws of any state of the United States of America. Our shares are only being offered in transactions that are exempt from the registration requirements of the Securities Act in reliance on Regulation S under the Securities Act outside the United States of America and under other applicable exemptions. See “Transfer and Selling Restrictions” for additional information about eligible offerees and transfer restrictions. The information in this IOM is preliminary and will be supplemented by a pricing supplement which will contain additional information about this Offering, including, among other matters, the final Offering Price per Offered Share hereby and the number of shares to be offered in the French and international tranches of the Offering.

The New Shares are expected to be delivered against payment in Euro to subscribers on or about July 2, 2013.



SOCIÉTÉ GÉNÉRALE
Corporate & Investment Banking

Sole Lead Manager and Joint Bookrunner

Invest Securities
Société de Bourse
Joint Bookrunner

This IOM is dated June 13, 2013

This preliminary international offering memorandum does not constitute an offer to sell or subscribe nor a solicitation to purchase or subscribe for securities in any countries where such offer or solicitation is not permitted.

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NOTICE TO INVESTORS

This IOM is confidential and is being furnished solely for the purpose of enabling a prospective investor to consider whether to subscribe or purchase for Offered Shares as described herein. Any reproduction or distribution of this IOM, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the Offered Shares is prohibited. Each person, by accepting delivery of this IOM, agrees to the foregoing.

The distribution of this IOM and the subscription or purchase of Offered Shares in certain jurisdictions may be restricted by law. We require persons into whose possession this IOM comes to inform themselves about and to observe any such restrictions. For a description of certain restrictions on the subscription or purchase of our Offered Shares, see “Transfer and Selling Restrictions”. This IOM does not constitute an offer of, or an invitation to subscribe or purchase, any shares in any jurisdiction in which such offer or invitation would be unlawful.

The information in this IOM is preliminary and will be supplemented by a pricing supplement which will contain additional information about this Offering, including, among other matters, the final Offering Price per Offered Share hereby and the number of Supplementary Shares to be sold in the French and international tranches of the Offering.

This IOM has not been, and will not be, submitted to the clearance procedures of the French *Autorité des marchés financiers* (the “**AMF**”) and, accordingly, may not be used in connection with any offer or issuance of shares to the public in France or within the European Economic Area. For the purposes of the retail public offering in France and the listing of the Existing Shares and New Shares on Euronext Paris, a French prospectus in the French language has been approved by the AMF under number 13-279 on June 13, 2013, consisting of (i) our *document de base* registered with the AMF on May 29, 2013 under No I. 13-024 (the “**Document de Base**”), (ii) our *note d’opération* filed with the AMF (the “**Note d’Opération**”) and (iii) the summary of the prospectus (all three items being hereinafter referred collectively to as the “**French Prospectus**”). Such French Prospectus is the only offering document by which offers to subscribe or purchase for Offered Shares may be made in France.

In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of this Offering, including the merits and risks involved. Prospective investors should not treat the contents of this IOM as advice relating to legal, taxation or investment matters and are advised to consult their own professional advisers concerning the acquisition, holding or disposal of the Offered Shares. No person is authorized to give any information or to make any representation not contained in this IOM in connection with any offering of shares and, if given or made, such information or representation must not be relied upon as having been authorized by us, the Managers or any other person. Neither the delivery of this IOM nor any subscription or purchase made in connection with this Offering shall, under any circumstances, create any implication that the information contained in this IOM is correct as of any time subsequent to the date of this IOM or that there has been no change in our financial condition or affairs since the date of this IOM.

In connection with this Offering, Société Générale, acting on behalf and for the account of the Managers as stabilizing manager, or any person acting for it, may over-allot up to 931,713 Existing Shares or effect transactions with a view to maintaining the market price of the Company's shares at a level higher than that which might otherwise prevail. However, there is no assurance that Société Générale, acting on behalf and for the account of the Managers as stabilizing manager, or any of its agents, will take any stabilizing action and if begun, stabilizing action may be ended at any time. Any stabilization activity may begin on the date trading begins, which is expected to be on July 3rd, 2013 and end on July 26, 2013. Such stabilizing, if commenced, may be discontinued at any time, and must be brought to an end after the aforementioned period.

Prospective investors are urged to carefully review and consider the various disclosures we have made in this IOM which describes the factors that may affect our business, in particular, the disclosures made under "Risk Factors".

TRANSFER AND SELLING RESTRICTIONS

General

Except in relation to the retail public offering of shares in France, no action has been or will be taken in any jurisdiction by our Company or the Managers that would permit a public offering of the Company's shares or possession or distribution of an IOM in any jurisdiction where action for that purpose would be required. This IOM may not be used for, in connection with, and does not constitute any offer to, or solicitation by, anyone in any jurisdiction in which it is unlawful to make such an offer or solicitation. Persons into whose possession this IOM may come are required to inform themselves about, and to observe, all such restrictions. Neither our Company nor any of the Managers accepts any responsibility for any violation by any person, whether or not it is a prospective subscriber or purchaser of the Company's shares, of any such restrictions. Each Manager has agreed to comply with all applicable laws and regulations in each jurisdiction in which it subscribes, offers, sells or delivers the Company's shares or has in its possession any offering documents or any amendment or supplement thereto or any other offering or publicity material.

United States of America

The Company's shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or under any securities laws of any state of the United States of America. Our shares are only being offered in transactions that are exempt from the registration requirements of the Securities Act in reliance on Regulation S under the Securities Act outside the United States of America and under other applicable exemptions.

Regulation S shares

Each subscriber of the Company's shares being offered in reliance on Regulation S will be deemed to have represented, agreed and acknowledged that it has received a copy of this IOM and that:

- (1) the subscriber is outside the United States of America;
- (2) the subscriber is aware that the Company's shares have not been and will not be registered under the Securities Act and that the Company's shares are being offered outside the United States of America in reliance on Regulation S;
- (3) the Company's shares may not be resold in the United States of America except pursuant to an exemption from the registration requirements of the Securities Act;
- (4) if the subscriber is subscribing the Company's shares as a fiduciary or agent for one or more other investor accounts, with respect to each such account it has sole investment discretion and it has full power to make these acknowledgements, representations and agreements on behalf of such account; and
- (5) the Company, the Managers and its affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements of or by the subscriber.

In addition, until (i) 40 days after the pricing or (ii) completion of the Offering, any offer or sale of the Company's shares that is made within the United States of America by any dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act.

France

This IOM has not been, and will not be, submitted to the clearance procedures of the French *Autorité des marchés financiers* (the "**AMF**") and, accordingly, may not be used in connection with any offer or issuance of shares to the public in France or within the European Economic Area. For the purposes of the retail public offering in France and the listing of the Existing Shares and New Shares on Euronext Paris, a French prospectus in the French language has been approved by the AMF under number 13-279 on June 13, 2013, consisting of (i) our *document de base* registered with the AMF on May 29, 2013 under No I. 13-024 (the "**Document de Base**"), (ii) our *note d'opération* filed with the AMF (the "**Note d'Opération**") and (iii) the summary of the prospectus (all three items being hereinafter referred collectively to as the "**French Prospectus**"). Such French Prospectus is the only offering document by which offers to subscribe or purchase for Offered Shares may be made in France.

European Economic Area

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (defined below) other than France (each, a "**Relevant Member State**"), each Manager has represented, warranted and covenanted, severally and not jointly, to us that such Manager has not made and will not make a public offering of the Company's shares that makes it necessary to publish a prospectus in one of the Relevant Member States. As a result, the Company's shares may be offered in these Relevant Member States only:

- (a) to qualified investors, as defined in the Prospectus Directive, in accordance with Article 3.2(a) of the Prospectus Directive;
- (b) to less than 100, or if the Relevant Member State has transposed the relevant provision of the Amending Prospectus Directive, 150, individuals or entities (other than qualified investors as defined in the Prospectus Directive), subject to the prior agreement of the Sole Lead Manager and Joint Bookrunner and, for such an offering, in accordance with Articles 3.2(b) of the Prospectus Directive and 1.3(a)(i) of the Amending Prospectus Directive; or
- (c) to investors who purchase these securities for a total price of at least €50,000 per investor, or at least €100,000 if the Relevant Member State in question has transposed the relevant provision of the Amending Prospectus Directive;
- (d) in all other cases where the publication of a prospectus is not required under the provisions of Article 3 of the Prospectus Directive;

and providing that none of the offerings referred to in subsections (a) to (c) above require the publication of a prospectus by the Company or the establishments responsible for the placement in accordance with the provisions of Article 3 of the Prospectus Directive, or a supplement to the prospectus in accordance with the provisions of Article 16 of the Prospectus Directive.

For the purposes of this subsection, (a) a "**public offering**" in any Relevant Member State means the communication in whatever form and by whatever means of adequate information on the conditions of the offering and on the shares to be offered, so as to enable an investor to decide whether or not to subscribe for these shares, as possibly amended by the Relevant Member State by any measure transposing the Prospectus Directive, (b) the term "**Prospectus Directive**" means Directive 2003/71/EC of the European Parliament and Council of 4 November 2003 (as amended, including by the provisions of the Amending Prospectus Directive, if it has been transposed within the Relevant Member State) and includes any measure transposing this Directive within each Relevant Member State, (c) the term "**Amending Prospectus Directive**" means Directive 2010/73/EU of the European Parliament and Council of 24 November 2010..

United Kingdom

This IOM has been published and is intended only for people who (i) are located outside the United Kingdom, (ii) are investment professionals in accordance with Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) (the "**FSMA**") Order 2005 (the "**Order**"), (iii) are high net worth entities or any other person falling within the scope of Article 49(2) (a) to (d) of the Order (high net worth companies, unincorporated associations, etc.) or (iv) are persons to whom an invitation or inducement to engage in an investment activity (as defined in Article 21 of the FSMA) may be legally communicated or transmitted (hereinafter collectively referred to as the "**Qualified Persons**"). Invitations, offers or subscription, purchase or other agreements to purchase the Company's shares may only be proposed to or concluded with Qualified Persons. The Company's shares covered by the Prospectus may not be offered or issued for the benefit of persons located in the United Kingdom other than Qualified Persons. No-one other than a Qualified Person must act or rely on the Prospectus or any of its provisions. The persons responsible for distributing the Prospectus must comply with the legal conditions governing distribution of the Prospectus.

Each Manager acknowledges and guarantees on its own behalf:

- (a) that it has complied with, and will comply with, all of the FSMA's provisions applicable to every measure that has or will be undertaken with regard to the Company's shares, whether this is in the UK, from the UK or in any other way involves the UK;
- (b) that it has not communicated or had communicated, or will not communicate or have communicated, any invitation or inducement to engage in an investment activity (as defined in Article 21 of the FSMA) received by it and relating to the issue or sale of the Company's shares, except in circumstances under which Article 21(1) of the FSMA does not apply to the Company.

Italy

The IOM has not been registered with, or authorised by, the *Comissione Nazionale per le Società e la Borsa* ("**CONSOB**") in accordance with the Prospectus Directive and the Italian regulations governing securities. The Offered Shares will not be offered, sold or delivered, directly or indirectly, in Italy, within the framework of a public offering of financial products as defined in Article 1, paragraph 1 letter t) of Legislative Order no. 58 of 24 February 1998, as amended (the "**Law on**

Financial Services"). As a result, the Offered Shares may only be offered, sold or delivered in Italy:

- (a) to qualified investors (*investitori qualificati*) as defined in Article 100 of the Law on Financial Services and in Article 34-ter(1)(b) of CONSOB Regulation no. 11971 of 14 May 1999, as amended (the "**CONSOB Regulation**");
- (b) under the conditions provided for in an exemption applicable to the rules governing public offerings, in accordance with Article 100 of the Law on Financial Services and Article 34-ter of the CONSOB Regulation.

Furthermore, subject to the above, any offer, sale or delivery of the Offered Shares in Italy or any distribution in Italy of copies of the Prospectus or any other document relating to the Offered Shares under the conditions referred to in subsections (a) and (b) above, must also be carried out:

- (i) by an investment company, a bank or a financial intermediary authorised to conduct such activities in Italy in accordance with the Law on Financial Services, Legislative Order no. 385 of 1 September 1993 (the "**Banking Law**") and CONSOB regulation no. 16190 of 29 October 2007, as amended;
- (ii) in accordance with Article 129 of the Banking Law and with the Bank of Italy's application guide by virtue of which the Bank of Italy may request certain information on the issue or offering of securities in Italy;
- (iii) in accordance with any regulations governing securities, taxation and exchange controls, and any other applicable law and regulation, and particularly any other condition, limitation or restriction that may be imposed, where applicable, by the Italian authorities.

The IOM, any other document relating to the Offered Shares and the information that they contain may only be used by the original recipients. Persons residing or located in Italy other than the original recipients of these documents must not rely on these documents or their contents. Any person subscribing for the Offered Shares within the framework of the Offering assumes full responsibility for checking that the Offering or the resale of the Offered Shares that it has purchased within the framework of the Offering has been conducted in accordance with all of the applicable laws and regulations.

Article 100-bis of the Law on Financial Services limits the possibilities of transferring the Offered Shares in Italy if the Offered Shares are only placed with qualified investors and/or these Offered Shares are systematically resold, at any time during the 12 months following the placement, to unqualified investors on the secondary market. In such a case, if no prospectus compliant with the Prospectus Directive has been published, purchasers of Offered Shares who have acted outside the normal course of their activity or profession would be entitled, under certain conditions, to declare such purchases invalid and request compensation from the authorised persons at the premises where they purchased the Offered Shares, failing the application of an exemption provided for by the Law on Financial Services.

Canada, Australia and Japan

The Company' shares have not been, and will not be, registered in Japan, as defined by the Securities and Exchange Law of Japan (the "**Securities and Exchange Law**") and may not be sold or offered, directly or indirectly, in Japan, to a Japanese resident or on behalf of a Japanese resident (it being specified that the term resident applies to any person residing in Japan, including any company or any other entity subject to Japanese law) or to any other person within the framework of a new offering or resale, directly or indirectly, in Japan, to a Japanese resident or on behalf of a Japanese resident, except in accordance with an exemption from the registration obligation or in accordance with the provisions of the Securities and Exchange Law and any other obligation applicable by virtue of Japanese laws and regulations.

The Offered Shares may not be offered, sold or acquired in Canada or Australia or by a person located in Canada or Australia.

FORWARD-LOOKING INFORMATION

This IOM contains forward-looking statements and information on the Company's objectives, in particular in sections 6 and 12 of the *Document de Base* (registration document), which are at times identified by the use of the future or conditional tense and forward-looking terms such as "estimate", "anticipate", "believe", "with the objective of", "expect to", "intend", "should", "wishes" and "might". This information is based on data, assumptions and estimates that the Company believes to be reasonable. The forward-looking statements and objectives set out in this IOM may be affected by known or unknown risks, uncertainties relating in particular to the regulatory, economic, financial and competitive environments, and other factors that might cause the Company's future results, performance and achievements to deviate significantly from the stated or suggested objectives. These factors may include, in particular, the factors described in chapter 4 "Risk Factors" of the *Document de Base* (registration document). Investors are advised to consider carefully the risk factors described in chapter 4 "Risk Factors" of the *Document de Base* (registration document) and in section 2 "Risk Factors associated with the Offering" of the *Note d'Opération* before deciding whether to invest in the Company. The occurrence of all or any of these risks may have an adverse impact on the Company's business, situation, financial results and objectives. Furthermore, other risks that have not been identified at the date hereof or that the Company currently judges insignificant could have a similar adverse impact, and investors may lose some or all of their money.

NON-CERTIFIED ENGLISH TRANSLATION

This IOM is a non-certified English translation of the French Prospectus in the French language, except that the AMF visa paragraphs, the second paragraph of section 1.2 entitled “Certification of the Responsible Person” of the *Document de Base* and the second paragraph of section 1.2 entitled “Certification of the Responsible Person” of the *Note d’Opération* have been intentionally excluded and are not included herein for the purpose of this IOM (the “**Prospectus Excluded Sections**”). Investors should not make an investment decision based on any information contained in these Prospectus Excluded Sections. Any reference in this IOM to the French Prospectus, the *document de base* or the *Note d’Opération* shall be deemed to exclude the Prospectus Excluded Sections. Although this IOM has been carefully drafted and reviewed, no assurances are given as to the accuracy and completeness of the translation. OREGÉ assumes no responsibility with respect to this non-certified translation. In the event of any ambiguity or inconsistency between this non-certified translation and the French Prospectus (excluding the Prospectus Excluded Sections), the French version shall prevail.

NOTES

Definitions

In this IOM, unless otherwise indicate, the term “**OREGE**”, “**Orège**” or the “**Company**” shall mean Orège S.A., a French société anonyme (limited company) and the term “**Euronext Paris**” shall mean the regulated market of NYSE Euronext in Paris.

This IOM also contains information on the Company's markets and competitors, as well as its competitive positioning, in particular in sections 6.5 and 6.8 of the *Document de Base* (registration document). Some of this information is based on research obtained from external sources. However, information that is publicly available and that the Company considers to be reliable has not been verified by an independent expert and the Company cannot guarantee that a third party using different methods to collect and analyse market data and make calculations would obtain the same results. The Company, the Company's direct or indirect shareholders and the investment service providers do not commit themselves or make any warranty whatsoever as to the accuracy of this information.

SUMMARY

**The following summary forms the initial part of the *note d'opération* of the Company
dated June 13, 2013 – AMF visa no. 13-279**

The summary consists of a series of key information, referred to as the "**Elements**", which are presented in five **sections A to E** and numbered from A.1 to E.7.

This summary contains all of the Elements that must be included in the summary of a prospectus for this class of securities and this type of issuer. As not all of the Elements need to be completed, the numbering of the Elements in this summary is not continuous.

It is possible that no relevant information can be provided for a given Element that must be included in this summary because of the class of securities and the type of issuer in question. In this case a concise description of the Element is given in the summary with the endorsement "Not applicable".

SECTION B – ISSUER		
B.1	Company name and trading name	Company name: OREGÉ S.A. Trading name: OREGÉ
B.2	Registered office / Legal form / Applicable law / Country of origin	Registered office: 1, rue Pierre Vaudenay, 78350 Jouy-en-Josas Legal form: limited company with an executive board and a supervisory board Applicable law: French law; Country of origin: France
B.3	Nature of operations and main activities	<p>Founded in 2004, Orège designs, develops, industrializes and markets solutions for public authorities and industrial companies conceived to best meet new regulatory and environmental requirements and reduce the cost of effluent and sludge treatment.</p> <p>To this end, Orège relies on two highly innovative, patented, new cutting edge technologies:</p> <ul style="list-style-type: none"> (i) SOFHYS, a technology used for the treatment of complex toxic or non-biodegradable industrial effluent; and (ii) SLG, a conditioning and pre-treatment solution for the dewatering of municipal and industrial sludge. <p>The revenue generated by the main two customer contracts represents more than 90% of the overall Company's revenue for the year ended December 31, 2012.</p> <p>Orège can mobilise a very wide range of scientific and technical skills:</p> <ul style="list-style-type: none"> (i) expertise in the specific areas of chemistry, in particular electrochemistry; (ii) expert knowledge based on experience in complex industrial effluent treatment; and (iii) all aspects of oil drilling, oil production and petrochemical

		<p>engineering.</p> <p>The Company mainly targets the following sectors:</p> <ul style="list-style-type: none"> (i) the Oil&Gas sector: water and sludge drilling, washing waters and tank cleaning effluent, spent caustics, tertiary treatment of refinery effluent, ...; (ii) petrochemicals: effluent from distillation processes, effluent with high concentration of sulphur compounds, organic and mineral sludge,...; (iii) chemicals: process water, reactor cleaning water, toxic components, organic and mineral sludge, ...; (iv) municipalities: sludge from drinking water treatment and from wastewater treatment facilities, ...; and (v) food and beverage: treatment of primary sludge and waste water treatment plants.
B.4a	Main recent trends with repercussions for the Company and its sectors of activity	No significant events have occurred since the end of the last financial year ended 31 December 2012 that might affect the Company's production, sales and stocks, costs or sale prices.
B.5	Description of the Group	Not applicable, as the Company does not have any subsidiaries or equity interests.

B.6

Main shareholders

As at the date this Prospectus was approved, the share capital is set at € 2,278,588.75 divided into 9,114,355 shares of twenty-five euro cents (€ 0.25) each (including 6,455,306 ordinary shares and 2,659,049 class A preference shares), fully subscribed and paid up by the shareholders. In the event of conversion of the bond issue and of the Class A preference shares into ordinary shares, which is subject to the condition precedent of the Company's shares being admitted to trading on the regulated market of NYSE-Euronext in Paris and prior to the raising of funds covered by this Prospectus, the Company's capital and voting rights will break down as follows:

Shareholders	Number of shares	% of capital	Number of voting rights	% of voting rights
Pascal Gendrot	1,789,350	15.45%	3,578,700	19.60%
Patrice Capeau	1,153,126	9.96%	2,278,900	12.48%
Michel Lopez	592,509	5.12%	1,157,666	6.34%
Guy Gendrot	265,359	2.29%	530,718	2.91%
George Gonsalves	80,756	0.70%	151,512	0.83%
Concerted shareholders sub-total	3,881,100	33.51%	7,697,496	42.17%
Climate Change Capital Private Equity LP (1)	3,991,159	34.46%	5,965,701	32.68%
Climate Change Capital Private Equity Co-Investment LP (1)	39,910	0.34%	59,655	0.33%
Oraxys Environment 1 SCA (1)	1,096,857	9.47%	1,761,619	9.65%
Inocap	727,095	6.28%	727,095	3.98%
Efficap	604,674	5.22%	604,674	3.31%
Auris	334,815	2.89%	334,815	1.83%
Employees and corporate officers (excluding concerted shareholders)	121,080	1.05%	164,493	0.90%
Other	786,542	6.79%	939,210	5.15%
Total	11,583,232	100.00%	18,254,758	100.00%

(1) The Climate Change Capital Private Equity LP, Climate Change Capital Private Equity Co-Investment LP and Oraxys Environment 1 SCA funds became shareholders of the Company on 21 June 2011 when they invested in the Company's Class A preference shares.

A total of 967,335 ordinary shares would be created if all of the securities giving access to the capital ("**BSPCE**"-founders' share subscription warrants and "**BSA**"-share subscription options) were exercised, which on a fully-diluted basis would dilute the share capital by a maximum of around 7.71%.

		<p>The Company will be controlled by the following concerted shareholders who will, at that date, hold 33.51% of the Company's capital and 42.17% of its voting rights in total:</p> <ul style="list-style-type: none"> (i) Pascal Gendrot; (ii) Patrice Capeau; (iii) Michel Lopez; (iv) Guy Gendrot; (v) George Gonsalves <p>(the "Concerted shareholders").</p>																																																																											
B.7	Selected financial information	<p><u>Simplified statement of financial position</u></p> <table> <tr> <th>Orège SA – IFRS (in €)</th><th>2012 12 months audited</th><th>2011 12 months, audited</th></tr> <tr> <td>Non-current assets</td><td>14,942,624</td><td>11,084,959</td></tr> <tr> <td><i>of which intangible assets</i></td><td>9,739,645</td><td>7,097,467</td></tr> <tr> <td><i>of which tangible assets</i></td><td>1,587,702</td><td>1,457,715</td></tr> <tr> <td><i>of which deferred tax assets</i></td><td>3,579,405</td><td>2,508,249</td></tr> <tr> <td>Current assets</td><td>5,033,261</td><td>6,213,195</td></tr> <tr> <td><i>of which research tax credit receivable</i></td><td>3,404,161</td><td>2,235,919</td></tr> <tr> <td><i>of which other current assets</i></td><td>910,167</td><td>1,198,236</td></tr> <tr> <td><i>of which cash and cash equivalents</i></td><td>51,664</td><td>1,510,195</td></tr> <tr> <td>TOTAL ASSETS</td><td>19,975,885</td><td>17,298,154</td></tr> <tr> <td>Shareholders' equity</td><td>7,509,260</td><td>9,001,167</td></tr> <tr> <td>Non-current liabilities</td><td>1,663,794</td><td>1,626,024</td></tr> <tr> <td><i>of which borrowings</i></td><td>941,810</td><td>1,269,182</td></tr> <tr> <td>Current liabilities</td><td>10,802,832</td><td>6,670,962</td></tr> <tr> <td><i>of which borrowings and current banking facilities</i></td><td>2,494,001</td><td>246,277</td></tr> <tr> <td><i>of which deferred income on research tax credit</i></td><td>4,681,277</td><td>3,476,670</td></tr> <tr> <td>TOTAL LIABILITIES</td><td>19,975,885</td><td>17,298,154</td></tr> </table> <p><u>Simplified income statement</u></p> <table> <tr> <th>Orège SA - IFRS (in €)</th><th>2012 12 months, audited</th><th>2011 12 months, audited</th></tr> <tr> <td>Total income</td><td>1,053,800</td><td>1,259,614</td></tr> <tr> <td><i>of which revenue</i></td><td>1,053,800</td><td>1 259,614</td></tr> <tr> <td>Operating expenses</td><td>-3,319,511</td><td>-3,280,456</td></tr> <tr> <td>Operating profit</td><td>-2,265,711</td><td>-2,020,842</td></tr> <tr> <td>Financial income</td><td>-114,062</td><td>-3 091</td></tr> <tr> <td>Profit before tax</td><td>-2,379,773</td><td>-2,023,933</td></tr> <tr> <td>Net profit</td><td>-1,658,223</td><td>-1,436,570</td></tr> </table>	Orège SA – IFRS (in €)	2012 12 months audited	2011 12 months, audited	Non-current assets	14,942,624	11,084,959	<i>of which intangible assets</i>	9,739,645	7,097,467	<i>of which tangible assets</i>	1,587,702	1,457,715	<i>of which deferred tax assets</i>	3,579,405	2,508,249	Current assets	5,033,261	6,213,195	<i>of which research tax credit receivable</i>	3,404,161	2,235,919	<i>of which other current assets</i>	910,167	1,198,236	<i>of which cash and cash equivalents</i>	51,664	1,510,195	TOTAL ASSETS	19,975,885	17,298,154	Shareholders' equity	7,509,260	9,001,167	Non-current liabilities	1,663,794	1,626,024	<i>of which borrowings</i>	941,810	1,269,182	Current liabilities	10,802,832	6,670,962	<i>of which borrowings and current banking facilities</i>	2,494,001	246,277	<i>of which deferred income on research tax credit</i>	4,681,277	3,476,670	TOTAL LIABILITIES	19,975,885	17,298,154	Orège SA - IFRS (in €)	2012 12 months, audited	2011 12 months, audited	Total income	1,053,800	1,259,614	<i>of which revenue</i>	1,053,800	1 259,614	Operating expenses	-3,319,511	-3,280,456	Operating profit	-2,265,711	-2,020,842	Financial income	-114,062	-3 091	Profit before tax	-2,379,773	-2,023,933	Net profit	-1,658,223	-1,436,570
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B.8	Pro forma information	Not applicable.																					
B.9	Profit forecast or estimate	Not applicable.																					
B.10	Reservations or observations on the historical financial information contained in the statutory auditors' reports	<p>The statutory auditor's reports on (i) the annual financial statements for the financial year ended 31 December 2012 and (ii) the financial statements prepared in accordance with the IFRS framework, as adopted by the European Union, for the financial years ended 31 December 2012 and 31 December 2011 contain the following observations:</p> <p>With regard to the annual financial statements for the financial year ended 31 December 2012:</p> <p><i>"Without calling into question our opinion expressed above, we would like to draw your attention to the following issues referred to on pages 2, 3 and 4 of the accounting appendix:</i></p> <ul style="list-style-type: none"> - <i>tax inspection, and</i> - <i>business continuity".</i> <p>With regard to the financial statements prepared in accordance with the IFRS framework, as adopted by the European Union, for the financial years ended 31 December 2012 and 31 December 2011:</p> <p><i>"Without calling into question our opinion expressed above, we would like to draw your attention to the following issues referred to in notes 7.2 and 26 of subsection 20.1.1 of the registration document:</i></p> <ul style="list-style-type: none"> - <i>tax inspection,</i> - <i>the recognition of tax losses as deferred tax assets".</i> 																					
B.11	Net working capital	<p>As at the date this Prospectus was approved, the Company does not have enough working capital to meet its commitments and operating cash flow needs for the next twelve months.</p> <p>The amount needed for the Company to continue operating for the next 12 months as of the date of the AMF's approval of this Prospectus is estimated at approximately €6.1 million (reduced to €3.1 million if the Company receives payment of the research tax credits for financial years 2010 to 2013 within the next 12 months).</p> <p>This amount includes all of the commitments that the Company was aware as at the date this Prospectus was approved, namely the payment of (i) all of the current operating expenses over the period, (ii)</p>																					

		<p>financial debt repayments, (iii) the essential expenses inherent to its listing project that are payable by the Company even if the transaction is not completed, estimated at a total of around €470,000 excluding taxes.</p> <p>The Company is seeking payment of the 2010, 2011, 2012 and 2013 research tax credits, in an amount, net of OSEO financing, of around €3 million (including receivables of around €1.7 million for 2010, 2011 and 2012 and a receivable of around €1.3 million for 2013), it being specified that the 2008 and 2009 research tax credit refunds are the subject of an inspection by the tax authorities and that the Company was notified by letter dated 5 June 2013 that the tax authorities are verifying the research tax credits for 2010, 2011 and 2012.</p> <p>The preparation for admission of the Company's shares to trading on Euronext Paris and the net proceeds from the Offering, (including in the assumption that the Offering would be limited to 75% of the issue envisaged initially) i.e. € 17.4 million assuming that the share capital increase is fully subscribed and an opening price equal to the median of the Offering Price's indicative range, i.e. € 3.60, is the solution preferred by the Company to finance the continuation of its activities and to provide it with positive net working capital in the 12 months following the date of approval of this Prospectus.</p> <p>In the event the Offering does not take place, the Company contemplates raising funds via private placement. Receipt of the abovementioned research tax credits would not be sufficient in itself to provide the Company with adequate net working capital over the next 12 months, given the risk that the tax verification procedure initiated on 5 June 2013 could delay the expected repayment of receivables.</p>
SECTION C – SECURITIES		
C.1	Nature, class and identification number of new shares	<p>The Company's securities whose admission to trading on Euronext Paris (compartment C) is requested will be the following:</p> <ul style="list-style-type: none"> (i) all of the ordinary shares making up the share capital, i.e. 6,455,306 shares with a nominal value of twenty-five euro cents (€0.25) each, fully subscribed and paid up and from the same class, through their transfer from the Marché Libre; (ii) 740,496 ordinary shares to be issued on the conversion of the existing convertible bonds; (iii) 4,387,430 ordinary shares to be issued on the conversion of the 2,659,049 class A preference shares; <p>(the shares listed in subsections (i), (ii) and (iii) being hereafter collectively referred to as the "Existing Shares");</p> <p>5,401,235 new shares (the "Initial New Shares") to be issued as part of a cash share capital increase through a public offering, which may be increased by a maximum number of 810,185 new shares if the Extension Clause is fully exercised (the "Additional New Shares" which, together with the Initial New Shares are collectively referred to as the "New Shares"). Of the Existing Shares, a maximum of 931,713 Existing Shares (the "Sold Shares") may be sold if the Over-allotment Option is fully exercised. The New Shares and the Sold Shares are defined together as the "Offered Shares".</p>

		<p>The Offered Shares will be ordinary shares of the Company, all of the same class.</p> <p>Euronext Paris S.A. will publish a notice announcing the suspension of trading in the Company's shares on the Marché Libre as from 14 June 2013.</p> <p>Entitlement date</p> <p>The Offered Shares will be fungible, from their issuance, with Existing Shares. They will carry a right to dividend as from 1 January 2013.</p> <p>Name of the shares: OREGE; ISIN code: FR0010609206</p> <p>Mnemonic: OREGE; Compartment: Compartment C</p> <p>Sector of activity: NAF code: 3900Z - ICB classification: 2799 Waste & Disposal Services</p>
C.2	Issue currency	Euro
C.3	Number of shares issued and par value	<p>5,401,235 Initial New Shares, which may be increased by a maximum number of 810,185 Additional New Shares if the Extension Clause is fully exercised.</p> <p>The par value is equal to twenty-five euro cents (€0.25).</p>
C.4	Rights attached to the shares	<p>As French law and the Company's Articles of Association currently stand, the main rights attached to the Offered Shares are as follows:</p> <ul style="list-style-type: none"> - right to dividends; - preferential subscription right; - voting right (including a double voting right for any share held in registered form for more than two years); - right to a share in the Company's profits; - right to a share in any surplus in the event of liquidation.
C.5	Restrictions on the free transferability of shares	Not applicable, as there is no clause in the Articles of Association limiting the free transfer of the shares making up the Company's capital.
C.6	Request for admission to trading on a regulated market	<p>The admission of all of the Company's shares on Euronext Paris is requested.</p> <p>The trading conditions for all of the shares will be set in a notice published by Euronext Paris S.A. by the first day of trading in the shares at the latest, i.e. by 28 June 2013 in accordance with the indicative timetable.</p> <p>From 28 June 2013 until the planned settlement date of 2 July 2013, inclusive, these shares will be traded under the conditions of Article L. 228-10 of the French Commercial Code (<i>Code de commerce</i>), i.e. in the form of promises of shares, on a single trading line entitled "OREGE – PROMESSES", and will be subject to the condition precedent of the delivery of the custodian certificate relating to the issuance of the New Shares. As from 3 July 2013, the Company's shares will be traded on a trading line entitled "OREGE". No other requests for admission to trading on a regulated market have been made by the Company.</p>

C.7	Dividend policy	<p>The Company has not paid dividends in the last three years.</p> <p>The Company is positioned as a growth stock and, as at the date of the <i>Note d'Opération</i>, does not intend to adopt a policy of regular dividend payments.</p>
SECTION D - RISKS		
D.1	Main risks specific to the Issuer and its sector of activity	<p><u>Risks associated with the Company's business:</u> these include:</p> <ul style="list-style-type: none"> i. risks associated with technological developments (the Company does not have a sufficient long-term perspective to assess the performance of its technologies); ii. risks associated with the emergence of alternative solutions to the technologies that the Company has developed (SOFHYS for industrial effluents and SLG for sludges); iii. risks associated with the results of, or delays in, research and industrial testing (at this stage in its development, the Company is usually required to carry out <i>in situ</i> research and testing before it can finalise partnerships); iv. risks associated with design and construction (the actual costs incurred in connection with a turnkey contract may be significantly different to the initial forecasts without the Company being able to increase its price in order to reflect factors that are difficult to foresee at the time of its offer); v. risks associated with customer concentration levels (the majority of the Company's operating revenue was generated in 2011 and 2012 by two contracts that represented 91.3% of the Company's revenues in 2011, and 97.9% in 2012); vi. risk of dependency on certain suppliers or subcontractors; vii. risks associated with on-going negotiations with commercial partners and default by such partners; viii. risk that the Company fails to meet its contractual obligations concerning performance; ix. risks associated with acquisitions; x. risks relating to third-party liability and environmental liability; xi. risks associated with the cost of raw materials; xii. risks associated with key personnel; xiii. risks associated with economic cycles. <p><u>Legal risks:</u> these include:</p> <ul style="list-style-type: none"> i. Risks associated with the patent portfolio (the success of the Company's business depends on its ability to obtain, maintain and protect its patents; there is no certainty that the Company's current or future patent applications will be successful); ii. Risks associated with regulatory change; iii. Risks associated with future contracts signed with public authorities. <p><u>Risks associated with disputes pending:</u></p> <p>Other than the administrative proceedings initiated by the Company on 23 October 2012 against the Yvelines branch of the General Directorate of Public Finance, currently pending before the Versailles Administrative</p>

		<p>Court, concerning refusal to refund certain research tax credit receivables, and the related application for an interim payment made by the Company to the Presiding Judge of the Versailles Administrative Court dated 11 April 2013, the Company is not aware of any other administrative, criminal, judicial or arbitration proceedings, including any that have been stayed or that are threatened, that are likely to have, or have had over the past 12 months, a material adverse impact on the Company, its business, its financial position, its results or its development. Moreover, the Company was notified by letter dated 5 June 2013 that the tax authorities are verifying the research tax credits for 2010, 2011 and 2012.</p> <p>Financial risks: these include:</p> <ul style="list-style-type: none"> i. Risks associated with historical losses (accumulated losses to 31 December 2012 amount to approximately €3.85 million); ii. Liquidity risk (negative net working capital over the next 12 months in the absence of funds raised through this Offering); iii. Risks associated with research tax credits (the Company has filed refund requests with the tax authorities for payment of its research tax credits in respect of financial years 2010 and 2011 totalling €2,229,663, which have been contested in part by the tax authorities); iv. Risks associated with access to government aid (the Company cannot hope to receive any further government aid, in particular from OSEO, in that since its incorporation the Company has already received repayable aid totalling €1,060,000); v. Currency risk, credit risk, interest rate risk; vi. Risk of dilution (as at the date this Prospectus was approved, if all instruments giving access to the capital that have been awarded and are outstanding as at the same date were exercised, this would result in the subscription of 967,335 new shares, resulting in an approximately 8.35% dilution of the existing capital on the day of admission of the Company's shares to listing on the Euronext market of NYSE-Euronext in Paris, and an approximately 7.71% dilution on a fully diluted capital basis).
D.3	Main risks specific to new shares	<p>There are uncertainties regarding the share price compared with the Offering Price following the transfer of the Company's shares to Euronext Paris.</p> <p>The Company's share price is also likely to be affected by significant volatility.</p> <p>The sale by the existing main shareholders of a large number of shares could have an adverse impact on the stock market price.</p> <p>There is also a risk associated with the cancellation of the Offering if the Placement and Underwriting Agreement is not concluded or is terminated. As this agreement is not a performance guarantee (<i>garantie de bonne fin</i>) as defined in Article L.225-145 of the French Commercial Code, a shortfall in subscriptions could lead to the cancellation of the Offering.</p> <p>If the subscriptions were to reach 75% of the gross amount of the proposed share capital increase, the Offering could be limited to the subscriptions received. A shortfall in subscriptions (less than 75% of the</p>

		<p>proposed share capital increase) could lead to the cancellation of the Offering.</p> <p>Finally, the Company is positioned as a growth stock and, as at the date of the <i>Note d'Opération</i>, does not intend to adopt a policy of regular dividend payments.</p>
SECTION E - OFFERING		
E.1	Total proceeds from the issue and the offering and estimate of the total expenses associated with the issue	<p><u>Gross proceeds from the Offering</u></p> <p>Around € 19.4 million¹ (reduced to around € 14.6 million if the transaction is limited to 75%), which may be increased to around € 22.4 million¹ if the Extension Clause is fully exercised.</p> <p><u>Estimated net proceeds from the Offering</u></p> <p>Around € 17.4 million¹ (reduced to around € 12.9 million¹ if the transaction is limited to 75%), which may be increased to around € 19.8 million if the Extension Clause is fully exercised.</p> <p>The expenses associated with the Offering that are payable by the Company are estimated at around € 2.01 million, if the Extension Clause is not exercised.</p> <p><u>Gross and net proceeds to the Selling Shareholders from the sale of the Sold Shares</u></p> <p>Around € 3.4 million gross¹ and around € 3.3 million¹ net if the Over-allotment Option is fully exercised.</p>
E.2 a	Reasons for the Offering and planned use of the proceeds	<p>The Offering and the admission of the Company's shares to trading on Euronext Paris (compartment C) are notably intended to give the Company additional resources to fund its operations.</p> <p>The net proceeds from the funds raised from the issuance of New Shares will in particular allow the Company to:</p> <ul style="list-style-type: none"> • industrialise and market "standard products" for priority applications as identified by the Company, and thus develop its market presence (in its Oil & Gas, chemicals, food & beverage and municipalities markets) by allocating some 40% of the net proceeds raised to this objective (Objective 1); • establish an international presence (in the United Kingdom, Germany, the Benelux countries, United States and Canada) by allocating some 10% of the net proceeds raised to this objective (Objective 2); • continue and step up the development of dedicated solutions relating to its two SOFHYS and SLG technologies for other uses identified as particularly promising (unconventional oil and gas, etc.) by allocating some 10% of the net proceeds raised to this objective (Objective 3); • increase its shareholders' equity so as to meet the financing needs of its everyday activity by allocating some 35% of the net proceeds raised to this objective (Objective 4); • maintain its technological edge by building on its two proprietary technologies, namely SOFHYS and SLG, without excluding the design and development of other innovative technologies in the

¹ Based on a price equal to the median of the Offering Price's indicative range, i.e. 3.60 euros.

		<p>future by allocating some 5% of the net proceeds raised to this objective (Objective 5).</p> <p>In case of limitation of the Offering to 75%, the Company would redefine its priorities as follows: allocating to Objective 1 around 35% of the proceeds raised, allocating to Objective 2 around 7% of the proceeds raised, allocating to Objective 3 around 6% of the proceeds raised, allocating to Objective 4 around 47% of the proceeds raised and allocating to Objective 5 around 5% of the proceeds raised.</p>								
E.3	Terms and conditions of the Offering	<p><u>Nature and number of the securities whose admission is requested</u></p> <p>The Company shares whose admission to trading on the Euronext Paris (compartment C) market is requested are:</p> <p>(i) all of the 11,583,232 Existing Shares;</p> <p>(ii) 6,211,420 New Shares.</p> <p><u>Extension Clause</u></p> <p>The number of Initial New Shares may be increased by a maximum number of 810,185 Additional New Shares resulting from a possible decision by the Executive Board, on the day when the Offering's final terms and conditions are set, to increase the number of Offered Shares by a maximum of 15% compared to the number initially set (the "<i>Extension Clause</i>"), representing a share capital increase of a maximum nominal amount of € 202,546.25.</p> <p><u>Over-allotment Option</u></p> <p>Climate Change Capital Private Equity LP, Climate Change Capital Private Equity Co-Investment LP and Oraxys Environment 1 SCA (the "<i>Selling Shareholders</i>") will grant the Sole Lead Manager and Joint Bookrunner acting in the name of and on behalf of the Banks an over-allotment option allowing the acquisition of the Sold Shares within a limit of 15% of the number of New Shares, after the possible exercise of the Extension Clause, i.e. a maximum of 931,713 Sold Shares, at the Offering Price (according to the definition of this term in <u>subsection 5.3.1</u> of this <i>Note d'Opération</i>) (the "<i>Over-allotment Option</i>").</p> <p>This Over-allotment Option, which will cover any over-allotments and facilitate stabilisation transactions, may be exercised once at any time, in whole or in part, until the thirtieth calendar day following the Offering's closing date, in other words, for indicative purposes, 26 July 2013 at the latest.</p> <p><u>Selling Shareholders</u></p> <table><tr><th>Selling Shareholders</th><th>Number of Sold Shares if the Over-allotment Option is fully exercised</th></tr><tr><td>Climate Change Capital Private Equity LP</td><td>740,805</td></tr><tr><td>Climate Change Capital Private Equity Co-Investment LP</td><td>7,361</td></tr><tr><td>Oraxys Environment 1 SCA</td><td>183,547</td></tr></table> <p>In the event that the Over-allotment Option is partially exercised, the number of Sold Shares will be reduced proportionally between the Selling Shareholders <i>pro rata</i> their initial undertaking.</p>	Selling Shareholders	Number of Sold Shares if the Over-allotment Option is fully exercised	Climate Change Capital Private Equity LP	740,805	Climate Change Capital Private Equity Co-Investment LP	7,361	Oraxys Environment 1 SCA	183,547
Selling Shareholders	Number of Sold Shares if the Over-allotment Option is fully exercised									
Climate Change Capital Private Equity LP	740,805									
Climate Change Capital Private Equity Co-Investment LP	7,361									
Oraxys Environment 1 SCA	183,547									

	<p><u>Structure of the Offering</u></p> <p>The Offered Shares are set to be distributed as part of a global offering (the "Offering"), consisting of:</p> <ul style="list-style-type: none"> - a public offering in France in the form of an open price offering to the public (<i>offre à prix ouvert</i>), mainly intended for individuals (the "Open Price Offering" or "OPO"); - a global placement mainly intended for institutional investors (the "Global Placement") consisting of: <ul style="list-style-type: none"> ▪ a placement in France; ▪ an international private placement in certain countries, excluding the USA. <p>If there is sufficient demand as part of the OPO, the number of Offered Shares allocated in response to the subscription orders issued in the context of the OPO will be at least equal to 10% of the number of New Shares.</p> <p>Subscription orders will be broken down according to the number of securities requested:</p> <ul style="list-style-type: none"> - A1 subscription order fraction: from 1 share to 300 shares; and - A2 subscription order fraction: more than 300 shares. <p>A1 subscription order fractions will benefit from preferential treatment compared to A2 subscription order fractions if not all of the A subscription orders can be fully satisfied</p> <p><u>Indicative price range and methods for setting the Offering Price</u></p> <p>The price of the shares offered in the context of the Open Price Offering will be equal to the price of the shares offered in the context of the Global Placement (the "Offering Price").</p> <p>The Offering Price is scheduled to be set on 27 June 2013, it being specified that this date may be pushed back or brought forward. The Offering Price will result from the comparison of the shares offered and the subscription orders made by the investors, following the book building process as developed by professional practice.</p> <p>It should be noted that the OREGÉ share price on the <i>Marché Libre</i> has not been used as a reference price in connection with the Offering given, in particular, the lack of detailed historical financial information on the Company.</p> <p>The median of the Offering Price's indicative range (i.e. € 3.60 per share) would represent a premium of 29% on the last market price on June 10, 2013 of the OREGÉ share on the <i>Marché Libre</i> (i.e. € 2.80 per share).</p> <p>The <i>Note d'Opération</i> contains information on the following valuation methods:</p> <ul style="list-style-type: none"> - the "trading multiples" method, which seeks to compare the Company with listed companies in its business sector having similar business models; - the "discounted cash flow" method, which values the Company on the basis of its future cash flows. <p>The Offering Price may be within a range of between € 3.24 and € 3.96 per share. This range may be changed at any time up to (and including) the date scheduled for the closing of the Offering. This information is</p>
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	<p>given purely as an indication and in no way anticipates the Offering Price, which may be set outside this range.</p> <p><u>Entitlement date</u></p> <p>1 January 2013</p> <p><u>Underwriting</u></p> <p>The Offering will be covered by an underwriting agreement with Société Générale.</p> <p>This underwriting guarantee does not constitute a performance guarantee (<i>garantie de bonne fin</i>) as defined in Article L.225-145 of the French Commercial Code.</p> <p>The Placement and Underwriting Agreement should be executed on the date the Offering Price is set, which is 27 June 2013 according to the indicative timetable.</p> <p>The Placement and Underwriting Agreement may be terminated by the Banks, after consulting the Company, at any time up to (and including) the settlement date for the Offering, scheduled for 2 July 2013.</p> <p><u>Indicative timetable</u></p> <table><tr><td>13 June 2013</td><td>AMF approval of the Prospectus</td></tr><tr><td>14 June 2013</td><td>Suspension of trading of the existing shares on the Marché Libre Publication of the press release announcing the Offering Publication by Euronext Paris S.A. of the notice on the opening of the OPO Opening of the OPO and the Global Placement</td></tr><tr><td>26 June 2013</td><td>Closing of the OPO and the Global Placement at 5pm (Paris time) Centralisation of the OPO and the Global Placement</td></tr><tr><td>27 June 2013</td><td>Setting of the Offering Price and possible exercise of the Extension Clause Publication by Euronext Paris S.A. of the notice on the result of the Offering Publication of the press release indicating the price of the Offering, the final number of New Shares and the result of the Offering Execution of the Placement and Underwriting Agreement Start of stabilisation transactions, if any</td></tr><tr><td>28 June 2013</td><td>Start of trading in the Company's shares in the form of promises of shares (until 2 July inclusive)</td></tr><tr><td>2 July 2013</td><td>Settlement of the OPO and the Global Placement</td></tr><tr><td>3 July 2013</td><td>Start of trading in the Company's shares on Euronext Paris</td></tr><tr><td>26 July 2013</td><td>Deadline for exercising the Over-allotment Option</td></tr></table>	13 June 2013	AMF approval of the Prospectus	14 June 2013	Suspension of trading of the existing shares on the Marché Libre Publication of the press release announcing the Offering Publication by Euronext Paris S.A. of the notice on the opening of the OPO Opening of the OPO and the Global Placement	26 June 2013	Closing of the OPO and the Global Placement at 5pm (Paris time) Centralisation of the OPO and the Global Placement	27 June 2013	Setting of the Offering Price and possible exercise of the Extension Clause Publication by Euronext Paris S.A. of the notice on the result of the Offering Publication of the press release indicating the price of the Offering, the final number of New Shares and the result of the Offering Execution of the Placement and Underwriting Agreement Start of stabilisation transactions, if any	28 June 2013	Start of trading in the Company's shares in the form of promises of shares (until 2 July inclusive)	2 July 2013	Settlement of the OPO and the Global Placement	3 July 2013	Start of trading in the Company's shares on Euronext Paris	26 July 2013	Deadline for exercising the Over-allotment Option
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26 July 2013	Deadline for exercising the Over-allotment Option																

		<p>End of stabilisation transactions, if any</p> <p><u>Subscription procedure</u></p> <p>Anyone wishing to participate in the OPO must file their subscription orders with a financial intermediary authorised to operate in France by 5pm (Paris time) on 26 June 2013 at the latest.</p> <p>To be taken into account, subscription orders issued in the context of the Global Placement must be received by the Sole Lead Manager and Joint Bookrunner and the Joint Bookrunner by 5pm (Paris time) on 26 June 2013 at the latest, other than in the event of an early closing.</p> <p><u>Lead managers</u></p> <p>Sole Lead Manager and Joint Bookrunner: Société Générale Corporate & Investment Banking</p> <p>Joint Bookrunner: Invest Securities</p> <p><u>Subscription commitments received</u></p> <p>The Company is not aware of any intention to subscribe by the Company's main shareholders or by members of its administrative, management and supervisory bodies, or by any person intending to subscribe for more than 5% of the shares.</p> <p><u>Stabilisation</u></p> <p>Under the terms of the Placement and Underwriting Agreement, Société Générale (or any entity acting on its behalf), may (but will in no way be obliged to) carry out stabilisation transactions, which may affect the market price of the shares and may lead to the setting of a much higher market price than would have otherwise been the case. If such transactions are to be carried out, they may be completed at any time during a period of 30 calendar days as from the date the Offering Price is set, which means up to 26 July 2013 (inclusive) in accordance with the indicative timetable.</p>
E.4	Interests, including conflicting interests, that may significantly affect the issue / offering	<p>The Sole Lead Manager and Joint Bookrunner and the Joint Bookrunner and/or some of their associates have provided and/or may in the future provide various banking, financial, investment, commercial and other services to the Company, its shareholders or its corporate officers, in connection with which they have received or may receive payment.</p> <p>The Company plans to enter into a liquidity agreement with Invest Securities subsequent to the stabilisation period.</p>
E.5	Name of the issuing Company and lock-up agreements	<p><u>Name of the issuing company:</u> OREGÉ.</p> <p><u>Lock-up commitment entered into by the Company</u></p> <p>The Company will enter into a lock-up commitment as from the date the Placement and Underwriting Agreement is executed and for a period of 180 days following the New Shares' settlement date, subject to the exceptions described in <u>subsection 7.3</u> of the <i>Note d'Opération</i>.</p> <p><u>Lock-up commitments from the Company's main shareholders and main managers</u></p> <p>Climate Change Capital Private Equity LP, Climate Change Capital Private Equity Co-Investment LP, Oraxys Environment 1 SCA, the Concerted Shareholders and some of the Company's other managers (who collectively own 77.29% of the capital on a non-diluted basis prior to</p>

		<p>the transaction, but after the conversion of the convertible bonds and the preference shares) have entered into a lock-up commitment covering all of the shares that they own, including all shares granted upon exercise of the BSPCE-founders' share subscription warrants and BSA-share subscription options and convertible bonds they own, starting on 13 June 2013 (for a period expiring 540 days after the settlement date of the New Shares on Euronext Paris for the founding shareholders, for a period expiring 365 days after the settlement date of the New Shares on Euronext Paris for the main managers and for a period expiring 180 days after the settlement date of the New Shares on Euronext Paris for financial shareholders), subject to the exceptions described in <u>subsection 7.3</u> of the <i>Note d'Opération</i>.</p> <p>The disposal of shares in connection with exercise of the Over-allotment Option by financial shareholders is an exception to their lock-up commitment.</p>
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E.6

Dilution amount and percentage immediately resulting from the Offering

A shareholder holding 1% of the share capital before the conversion of all of the convertible bonds and of all of the preference shares would hold 0.56% of the share capital after those conversions, and 0.38% of the share capital after the Offering in case of full exercise of the Extension Clause.

Impact of the Offering on the Company's shareholders' equity

	Share of shareholders' equity (in euros)			
	Non-diluted basis (100% issuance)	Diluted basis (100% issuance) ¹	Non-diluted basis (75% issuance)	Diluted basis (75% issuance) ¹
Before issuance of the Initial New Shares	0.65 €	0.78 €	0.65 €	0.78 €
After issuance of the Initial New Shares (and before exercise of the Extension Clause)	1.59 €	1.63 €	1.41 €	1.47 €
After issuance of the Initial New Shares and full exercise of the Extension Clause	1.68 €	1.72 €	N/A	N/A

Amount and percentage of dilution resulting from the Offering

	Shareholder's interest (in %)			
	Non-diluted basis (100% issuance)	Diluted basis (100% issuance) ¹	Non-diluted basis (75% issuance)	Diluted basis (75% issuance) ¹
Before issuance of the Initial New Shares	1.00 %	0.92 %	1.00 %	0.92 %
After issuance of the Initial New Shares (and before exercise of the Extension Clause)	0.68 %	0.65 %	0.74 %	0.70 %
After issuance of the Initial New Shares and full exercise of the Extension Clause	0.65 %	0.62 %	N/A	N/A

¹ The calculations assume the subscription of all of the (i) 20,289 shares available for subscription through the exercise of all of the BSA (share subscription options) issued by the Executive Board on 31 March 2009, (ii) 74,175 shares available for subscription through the exercise of all of the BSA issued by the Executive Board on 6 March 2013, (iii) 55,000 shares available for subscription through the exercise of all of the BSPCE (founders' share subscription options) issued by the Executive Board on 31 March 2009, (iv) 234,195 shares available for subscription through the exercise of all of the BSPCE issued by the Executive Board on 21 December 2009, (v) 212,314 shares available for subscription through the exercise of all of the BSPCE issued by the Executive Board on 13 July 2010 and 30 September 2010, (vi) 97,932 shares available

for subscription through the exercise of all of the BSPCE issued by the Executive Board on 28 January 2011, (vii) 136,308 shares available for subscription through the exercise of all of the BSPCE issued by the Executive Board on 6 March 2013, (viii) 45,436 available for subscription through the exercise of all of the BSPCE issued by the Executive Board on 21 March 2013 and (ix) 91,686 available for subscription through the exercise of all of the BSPCE issued by the Executive Board on 9 April 2013, which may result in the creation of a total of 967,335 shares.

Shareholding after the Offering ⁽¹⁾				
Shareholder	Number of shares	% of capital	Number of voting rights	% of voting rights
Pascal Gendrot	2,056,149	10,96%	3,845,499	15,12%
Patrice Capeau	1,362,272	7,26%	2,488,046	9,78%
Michel Lopez	592,509	3,16%	1,157,666	4,55%
Guy Gendrot	265,359	1,41%	530,718	2,09%
George Gonsalves	180,810	0,96%	251,566	0,99%
Concerted shareholders sub-total	4,457,099	23,76%	8,273,495	32,53%
Climate Change Capital Private Equity LP ⁽⁵⁾	3,250,354	17,32%	5,224,896	20,54%
Climate Change Capital Private Equity Co-Investment LP	32,549	0,17%	52,294	0,21%
Oraxys Environment 1 SCA	913,310	4,87%	1,578,072	6,20%
Inocap	727,095	3,88%	727,095	2,86%
Efficap	604,674	3,22%	604,674	2,38%
Auris	334,815	1,78%	334,815	1,32%
Employees and corporate officers (other than concerted shareholders)	512,416	2,73%	555,829	2,19%
Others	786,542	4,19%	939,210	3,69%
Free float	7,143,133	38,07%	7,143,133	28,09%
Total	18,761,987	100,00%	25,433,513	100,00%

(1) Shareholding assuming full exercise of the Extension Clause and of the Over-allocation Option, and of all the securities giving access to the capital (BSPCE and BSA, i.e. a total of 967,335 ordinary shares)

E.7	Expenses billed to the investor by the Issuer	Not applicable.
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EXHIBIT I – NOTE D'OPERATION

The following summary forms sections 1 to 10 of the *note d'opération* of the Company
dated June 13, 2013

1. PERSONS RESPONSIBLE

1.1 Person responsible for the Prospectus

Mr Pascal Gendrot, Chairman of OREGE's Executive Board.

1.2 N/A

N/A

1.3 Persons responsible for the financial information

Mr Pascal Gendrot

Chairman of the Executive Board

Address: 1, rue Pierre Vaudenay

78350 Jouy-en-Josas

Telephone: + 33 (0) 1 39 46 64 32

Fax: + 33 (0) 1 39 46 70 64

E-mail: pascal.gendrot@orege.com

Mr George Gonsalves

Chief Financial Officer and member of the Executive Board

Address: 1, rue Pierre Vaudenay

78350 Jouy-en-Josas

Telephone: + 33 (0) 1 39 46 64 32

Fax: + 33 (0) 1 39 46 70 64

E-mail: george.gonsalves@orege.com

2. RISK FACTORS ASSOCIATED WITH THE OFFERING

In addition to the risk factors described in section 4 "Risk factors" of the Document de Base, the investor is invited to take into account the following factors and other information contained in this Note d'Opération before deciding whether to invest in the Company's shares. An investment in the Company's shares entails risks. The material risks that the Company has identified as at the date of approval of the Prospectus by the AMF are those described in the Document de Base and those described below. If one of the risks crystallised, the activities, financial position, results or outlook of the Company could be significantly affected. In such a case, the market price of the Company's shares could fall and the investor could lose all or part of the sums invested in the Company's shares. Other risks and uncertainties not known to the Company at this date or that it currently considers to be immaterial could also disrupt or have an adverse effect on the activities, financial position, results or outlook of the Company or on the market price of the Company's shares.

2.1 Uncertainties regarding the share's market price compared with the Offering Price following the transfer of the Company's shares to Euronext Paris.

As at the date of approval of this Prospectus, the Company's shares are listed for trading on the Marché Libre. The Company will set the Offering Price in conjunction with the Sole Lead Manager and Joint Bookrunner and the Joint Bookrunner, taking into account a number of factors, such as the market conditions and economic conditions on the date the Offering Price is set, the Company's results, the current state of the Company's activities and investors' indications of interest.

The Offering Price is not an indicator of the performance of the Company's shares after their admission to trading on Euronext Paris.

The market price that will be established following the admission of the Company's shares to trading on Euronext Paris may differ significantly from the Offering Price.

Although the Company has applied for the admission of its shares to trading on Euronext Paris, it cannot be guaranteed that there will be a liquid market for its shares or that such a market, if it develops, will last. If a liquid market for the Company's shares does not develop the market price of the shares could be affected.

2.2 The Company's share market price may be affected by significant volatility

The market price of the Company's shares could be significantly affected by many factors that have an impact on the Company, its competitors, or general economic conditions and those in the breakthrough technology industry sector. The market price of the Company's shares may notably considerably fluctuate in response to events such as:

- changes in the financial results or outlook of the Company or of its competitors from one period to the next;
- announcements by competitors or other companies with similar activities and/or announcements regarding the industrial effluent and sludge treatment market;
- changes in the regulatory environment applicable in countries or markets specific to the

Company's sector of activity or to the Company itself;

- announcements about changes to the Company's shareholder structure;
- announcements about changes to the management team;
- announcements about the scope of the Company's assets (acquisitions, disposals, etc.);
- the announcement of new products, new contracts or technological innovations by the Company or its competitors.

The stock markets also experience large fluctuations that are not always in keeping with the results and outlook of the companies whose shares are traded on them. Such market fluctuations and the economic environment could therefore also significantly affect the market price of the Company's shares.

2.3 The sale by the existing main shareholders of a large number of shares could have an adverse impact on the market price

Climate Change Capital Private Equity LP, Climate Change Capital Private Equity Co-Investment LP, Oraxys Environment 1 SCA, the Concerted Shareholders and certain of the Company's other managers who have entered into a lock-up commitment will hold around 46% of the Company's capital following the Offering (assuming the full exercise of the Extension Clause and the Over-allotment Option). The decision by these shareholders to sell all or part of their shares on the market after the expiry of their lock-up commitment (as described in **subsection 5.4.4** of this *Note d'Opération*) or before its expiry if the commitment is lifted, and the decision of the other existing shareholders who have not entered into such a commitment (particularly Efficap, Auris and Inocap) to sell all or part of their shareholdings, or the perception that such a sale is imminent, could have a material adverse effect on the market price of the Company's shares.

2.4 Risk of cancellation of the Offering if the Placement and Underwriting Agreement is not concluded or is terminated.

The Placement and Underwriting Agreement (as defined below in **subsection 5.4.3** of this *Note d'Opération*) may not be concluded or, after being concluded, may be terminated by the Banks (as defined in **subsection 5.4.3** of this *Note d'Opération*) under certain circumstances and at any time up to (and including) the settlement date of the Offering (see **subsection 5.4.3** of this *Note d'Opération*).

If the Placement and Underwriting Agreement was not concluded or had just been terminated, the subscription orders and the Offering would be retroactively cancelled. The OPO, the Global Placement, all of the subscription orders placed in connection therewith and all of the trades that had taken place up to (and including) the settlement date, would be retroactively cancelled and would need to be unwound. Each investor would be personally responsible for any associated opportunity cost and, where applicable, the resulting costs, of such a cancellation.

If the Placement and Underwriting Agreement is not concluded or is terminated, the Company's shares will not be admitted to trading on Euronext Paris.

2.5 Shortfall in subscriptions and cancellation of the Offering

The Offering is not covered by a performance guarantee (*garantie de bonne fin*) as defined in Article L.225-145 of the French Commercial Code.

In the event of a shortfall in demand, the share capital increase proposed in the context of the Offering may be limited to those subscriptions received, provided that such subscriptions amount to no less than 75% of the gross issuance amount initially planned. Accordingly, if the subscriptions received do not amount to three quarters (75%) of the share capital increase, the Offering would be cancelled and the subscription orders would be null and void.

2.6 The Company's dividend distribution policy

The Company has not paid dividends in the last three years.

The Company is positioned as a growth stock and, as at the date of the *Note d'Opération*, does not intend to adopt a policy of regular dividend payments.

3. BASIC INFORMATION

3.1 Declaration regarding the net working capital

As at the date this Prospectus was approved, the Company does not have enough working capital to meet its commitments and operating cash flow needs for the next twelve months.

The amount needed for the Company to continue operating for the next 12 months as of the date of the AMF's approval of this Prospectus is estimated at approximately €6.1 million (reduced to €3.1 million if the Company receives payment of the research tax credits for financial years 2010 to 2013 within the next 12 months).

This amount includes all of the commitments that the Company was aware as at the date this Prospectus was approved, namely the payment of (i) all of the current operating expenses over the period, (ii) financial debt repayments, (iii) the essential expenses inherent to its listing project that are payable by the Company even if the transaction is not completed, estimated at a total of around €470,000 excluding taxes.

The Company is seeking payment of the 2010, 2011, 2012 and 2013 research tax credits, in an amount, net of OSEO financing, of around €3 million (including receivables of around €1.7 million for 2010, 2011 and 2012 and a receivable of around €1.3 million for 2013), it being specified that the 2008 and 2009 research tax credit refunds are the subject of an inspection by the tax authorities and that the Company was notified by letter dated 5 June 2013 that the tax authorities are verifying the research tax credits for 2010, 2011 and 2012.

The preparation for admission of the Company's shares to trading on Euronext Paris and the net proceeds from the Offering, (including in the assumption that the Offering would be limited to 75% of the issue envisaged initially) i.e. € 17.4 million assuming that the share capital increase is fully subscribed and an opening price equal to the median of the Offering Price's indicative range, i.e. € 3.60, is the solution preferred by the Company to finance the continuation of its activities and to provide it with positive net working capital in the 12 months following the date of approval of this Prospectus.

In the event the Offering does not take place, the Company contemplates raising funds via private placement. Receipt of the abovementioned research tax credits would not be sufficient in itself to provide the Company with adequate net working capital over the next 12 months, given the risk that the tax verification procedure initiated on 5 June 2013 could delay the expected repayment of receivables.

3.2 Shareholders' equity and consolidated debt

The Company's shareholders' equity and net financial debt at 30 April 2013, prepared in accordance with the IFRS framework and the ESMA (European Securities Market Authority) recommendations of March 2011 (ESMA/2011/81, paragraph 127), are presented below:

Based on the position at 30 April 2013 (in €'000s / unaudited)	
Shareholders' equity and debt	30-04-2013
Total current debt:	2,475
Guaranteed current debt*	1,724
Pledged current debt	-
Neither guaranteed nor pledged current debt	751
Total non-current debt (excluding current portion of long-term debt)	3,331
Guaranteed non-current debt	-
Pledged non-current debt	-
Neither guaranteed nor pledged non-current debt	3,331
Company's shareholders' equity**	7,543
Capital and additional paid-in capital	11,394
Legal reserve	-
Other reserves	- 3,851

* This amount comprises solely a liability to OSEO of €1.724 million, which is guaranteed by the assignment of 2010 and 2011 research tax credit receivables under the French Dailly Law.

** Company's shareholders' equity excluding the profit and loss account for that period.

Based on the position at 30 April 2013 (in €'000s / unaudited)	
Net financial debt	30-04-2013
A – Cash	12
B - Cash equivalents	-
C - Short-term investment securities	-

Based on the position at 30 April 2013 (in €'000s / unaudited)	
D - Liquid assets (A+B+C)	12
E - Short-term financial receivables	-
F - Short-term bank debt	350
G - Portion of medium and long-term debt payable within one year	300
H - Other short-term financial liabilities	1,825
I - Short-term current financial liabilities (F+G+H)	2,475
J - Short-term net financial debt (I-E-D)	2,463
K - Bank loans due in more than one year	564
L - Outstanding bonds*	2,148
K - Other borrowings due in more than one year	619
N - Medium and long-term net financial debt (K+L+M)	3,331
O - Net financial debt (J+N)	5,794

* This amount comprises solely the convertible bond issued by the general meeting of 28 January 2013 for a total amount of €2,147,637.40.

No significant changes likely to affect the amount of the medium and long-term net financial debt and the amount of the shareholders' equity, excluding the results for the period, have occurred since 30 April 2013, except for (i) an advance granted by OSEO in May 2013 repayable in three years for a total amount of €560,000 (consisting of a first tranche of €400,000 and a second tranche of €160,000), (ii) a €30,000 loan from a shareholder received on 2 May 2013 and (iii) an agreement by COFACE dated 31 May 2013 to a so-called "prospection insurance" financing for an overall amount of € 800,000 to be paid to the Company in several tranches over a three-year period and repayable with effect from the fourth year. The first tranche of this financing, in an amount of €96,600, is expected to be paid to the Company in June 2013.

As at the date of this Prospectus, there were no indirect or unconditional liabilities.

3.3 Interests of the individuals and entities participating in the Offering

The Sole Lead Manager and Joint Bookrunner and the Joint Bookrunner and/or some of their associates have provided and/or may in the future provide various banking, financial, investment, commercial and other services to the Company, its shareholders or its corporate officers, in connection with which they have received or may receive payment.

The Company plans to enter into a liquidity agreement with Invest Securities subsequent to the stabilisation period.

3.4 Reasons for the Offering and planned use of the net proceeds from the transaction

The Offering and the admission of the Company's shares to trading on Euronext Paris (compartment C) are notably intended to give the Company additional resources to fund its operations (for a more detailed description, refer to section 6.9 of the *Document de Base*).

The net proceeds from the funds raised from the issuance of New Shares will in particular allow the Company to:

- industrialise and market "standard products" for priority applications as identified by the Company, and thus develop its market presence (in its Oil & Gas, chemicals, food & beverage and municipalities markets) by allocating some 40% of the net proceeds raised to this objective (Objective 1);
- establish an international presence (in the United Kingdom, Germany, the Benelux countries, United States and Canada) by allocating some 10% of the net proceeds raised to this objective (Objective 2);
- continue and step up the development of dedicated solutions relating to its two SOFHYS and SLG technologies for other uses identified as particularly promising (unconventional oil and gas, etc.) by allocating some 10% of the net proceeds raised to this objective (Objective 3);
- increase its shareholders' equity so as to meet the financing needs of its everyday activity by allocating some 35% of the net proceeds raised to this objective (Objective 4);
- maintain its technological edge by building on its two proprietary technologies, namely SOFHYS and SLG, without excluding the design and development of other innovative technologies in the future by allocating some 5% of the net proceeds raised to this objective (Objective 5).

In case of limitation of the Offering to 75%, the Company would redefine its priorities as follows: allocating to Objective 1 around 35% of the proceeds raised, allocating to Objective 2 around 7% of the proceeds raised, allocating to Objective 3 around 6% of the proceeds raised, allocating to Objective 4 around 47% of the proceeds raised and allocating to Objective 5 around 5% of the proceeds raised.

4. INFORMATION REGARDING THE SECURITIES TO BE OFFERED AND ADMITTED TO TRADING ON EURONEXT PARIS

4.1 Nature, number, class and ex date of the shares offered and admitted to trading

Nature, number and class of the securities whose admission to trading is requested

The Company's shares whose admission to trading on Euronext Paris (compartment C) is requested will be the following:

- (i) all of the ordinary shares making up the share capital, i.e. 6,455,306 shares with a nominal value of twenty-five euro cents (€0.25) each, fully subscribed and paid up and from the same class through their transfer from the Marché Libre;
- (ii) 740,496 ordinary shares to be issued on the conversion of the existing convertible bonds;
- (iii) 4,387,430 ordinary shares to be issued on the conversion of the 2,659,049 class A preference shares;

(the shares listed in subsections (i), (ii) and (iii) being hereafter collectively referred to as the "**Existing Shares**");
- (iv) 5,401,235 new shares (the "**Initial New Shares**") to be issued as part of a cash share capital increase through a public offering, which may be increased by a maximum number of 810,185 new shares if the Extension Clause is fully exercised (the "**Additional New Shares**" which, together with the Initial New Shares are collectively referred to as the "**New Shares**"). Of the Existing Shares, a maximum of 931,713 Existing Shares (the "**Sold Shares**") may be sold if the Over-allotment Option is fully exercised.

The New Shares and the Sold Shares are defined together as the "**Offered Shares**".

The Offered Shares will be ordinary shares in the Company, all of the same class.

Euronext Paris S.A. will publish a notice announcing the suspension of trading in the Company's shares on the Marché Libre as from 14 June 2013.

Entitlement date

The Offered Shares will be fungible, from their issuance, with Existing Shares. They will carry a right to dividend as from 1 January 2013 (see subsection 4.5 of this Prospectus on dividend rights).

Name of the shares

OREGE

ISIN code

FR0010609206

Mnemonic

OREGE

Compartment

Compartment C

Sector of activity

NAF code: 3900Z

ICB classification: 2799 Waste & Disposal Services

First listing and trading of shares

The Company's shares are currently registered on the Marché Libre. The Existing Shares and the Offered Shares (the latter in the form of promises of shares) are expected to be first listed on Euronext Paris on 28 June 2013, and trading is expected to begin at the same time on 28 June 2013.

From 28 June 2013 until the Offered Shares' settlement date, which is expected to be 2 July 2013, the Offered Shares will be traded under the conditions provided for in Article L. 228-10 of the French Commercial Code, on a single trading line entitled "OREGE – PROMESSES", and will be subject to the condition precedent of delivery of the custodian certificate confirming the subscription of the New Shares.

As from 3 July 2013, all of the Company's shares will be traded on a trading line entitled "OREGE".

4.2 Applicable law and jurisdiction

The Company's shares are governed by French law.

In the event of a dispute with the Company, the courts where the Company's registered office is located have jurisdiction if the Company is the defendant and are designated in accordance with the type of dispute if the Company is the plaintiff, unless otherwise stipulated by the French Code of civil procedure (*Code de procédure civile*).

4.3 Form and registration in an account of the Company's shares

The Company's shares may be in registered or bearer form, at the shareholders' discretion.

In accordance with Article L. 211-3 of the French Monetary and Financial Code, they must be registered in securities accounts held, depending on the case, by the Company or an authorised intermediary.

The holders' rights are therefore represented through registration in a securities account opened in their name on the books of:

- CACEIS CORPORATE TRUST (14, rue Rouget de Lisle, 92189 Issy-les-Moulineaux) mandated by the Company, for shares held in pure registered form;
- an authorised intermediary of their choice and CACEIS CORPORATE TRUST, mandated by the Company, for shares held in administered registered form;

- an authorised intermediary of their choice for shares held in bearer form.

In accordance with Articles L. 211-15 and L. 211-17 of the French monetary and financial Code (*Code monétaire et financier*), the shares are transmitted through inter-account transfer and ownership will be transferred once they have been registered in the purchaser's securities account.

An application will be made for the admission of the Company's shares to transactions carried out by Euroclear France, which will ensure clearing of the shares between custody account keepers. A further application will be made for admission to the transactions carried out by Euroclear Bank S.A./N.V. and Clearstream Banking, Société Anonyme (Luxembourg).

In accordance with the indicative timetable, registration of the Offered Shares in securities accounts is scheduled for 3 July 2013.

4.4 Currency of the share capital increase

The share capital increase will be conducted in euros.

4.5 Rights attached to the shares

The shares will be subject to all of the terms of the Articles of Association as adopted by the shareholders' ordinary and extraordinary general meeting of 3 June 2013, subject to the condition precedent of the Company shares' first listing on Euronext Paris. In accordance with French law and the Articles of Association that will govern the Company after listing, the main rights attached to the shares are as follows:

Profits – Legal reserve - Right to dividends

Each share entitles its holder to a share of profits from the Company assets in proportion to the share of capital it represents.

It also offers entitlement to representation at general meetings under the conditions set by law and the Articles of Association and to be informed of certain corporate documents at the times and under the conditions provided for by law and the Articles of Association.

The subscription right attached to the shares belongs to the beneficial owner.

Shareholders are only liable for the Company's liabilities in an amount up to their contributions.

Subject to legal provisions, no majority can force shareholders to increase their commitments. The rights and obligations remain attached to the share regardless of its holder.

By operation of law, ownership of a share entails compliance with the Company's Articles of Association and the decisions of the general meeting.

Whenever a shareholder needs to own several shares to exercise a given right – particularly in the case of the exchange or allotment of securities – shares that are isolated or whose number is below that required do not grant any right enforceable against the Company. It is incumbent upon shareholders to assemble and possibly buy or sell the necessary number of shares or rights.

After the financial statements have been approved and it has been determined that there are distributable amounts, the shareholders' ordinary general meeting determines what portion of these amounts should be allocated to shareholders in the form of a dividend, which is taken as a priority from distributable profit for the year.

Dividend or interim dividend payment methods are set by the shareholders' general meeting.

The ordinary general meeting may offer shareholders the option of payment in cash or in shares issued by the Company of all or part of the dividend or interim dividend distributed, under the conditions set or authorised by law.

The Company's dividend distribution policy is presented in subsection 20.6 of the *Document de Base*.

Preferential subscription right

The Company's shares all bear a preferential right to subscribe to share capital increases.

Voting right

Subject to the double voting right described below, the voting right attached to the shares is proportional to the share of the capital that they represent and each share provides entitlement to one vote.

A voting right that is twice the value of the right attached to other shares, based on the proportion of the share capital they represent, is allocated to all shares that have been fully paid-up, and have been held in registered form by the same shareholder for at least two (2) years, provided the shareholder has French nationality or is a citizen of a Member State of the European Union or a State that is party to the agreement on the European Economic Area.

Without prejudice to the exceptions provided for by law, a share loses its double voting rights if it is converted to bearer form, its ownership is transferred or its owner ceases to be a national of a Member State of the European Union or a State that is party to the agreement on the European Economic Area.

However, transfer as a result of inheritance, the liquidation of commonly held property between spouses or an inter vivos gift to a spouse or to a relative automatically entitled to inherit under French law does not cause existing double voting rights to lapse, nor does it interrupt the periods mentioned above.

Moreover, in the event of a share capital increase by incorporation of reserves, profits or issuance premiums, the double voting rights may be transferred upon issue to bonus registered shares awarded to a shareholder in respect of existing shares that carried double voting rights.

Right to a share in the Company's profits

The Company's shareholders are entitled to profits under the conditions defined in Articles L. 232-10 *et seq* of the French Commercial Code (*Code de commerce*).

Right to a share in any surplus in the event of liquidation.

Each share carries a right to ownership of the Company's assets, a share in its profits and a liquidation surplus in the same proportion.

Buyback or conversion clauses

The Company's Articles of Association do not provide for a clause regarding the buyback or conversion of ordinary shares.

Identification of holders of shares

The Company keeps itself informed of the composition of its shareholder structure under the conditions provided for by law. In this respect, the Company may avail itself of all of the legal provisions providing for the identification of holders of securities conferring the right to vote in its shareholders' general meetings immediately or in the future.

Ownership disclosure thresholds

Any entity or individual, acting alone or in concert, who comes to own a number of shares representing a proportion of share capital or voting rights equal to or greater than two per cent (2%) of the share capital, or any multiple of this percentage, including beyond the disclosure thresholds set by the applicable laws and regulations, must inform the Company of the total number of shares and voting rights it holds, as well as the securities giving access to the capital and the potential voting rights attached thereto, by registered letter with acknowledgement of receipt within ten (10) calendar days of crossing the ownership threshold.

The Company must also be informed when a shareholder's share of capital or voting rights falls below each of the thresholds mentioned above.

The sanctions provided for by law in the event of non-compliance with the requirement to disclose the crossing of statutory thresholds also apply in the event of non-disclosure of crossing of thresholds provided for by the Articles of Association, at the request, recorded in the minutes of the general meeting of shareholders, of one or more shareholders holding at least 5% of the capital or voting rights of the Company.

4.6 Authorisations

4.6.1 The Company's general meeting that authorised the issue

The issuance of Initial New Shares and, as the case may be, Additional New Shares, was authorised by resolution J of the ordinary and extraordinary general meeting of 3 June 2013, the wording of which is reproduced below:

"Resolution J (*Resolution 20, amended: delegation of authority to the executive board, subject to the prior authorisation of the supervisory board, to decide on increasing the share capital by the issuance - without preferential subscription rights – of ordinary shares and/or securities giving access to the Company's share capital and/or securities providing entitlement to the allocation of*

debt securities)

The general meeting,

voting under the quorum and majority conditions for extraordinary general meetings,

having read (i) the executive board's report and supplementary report and (ii) the statutory auditors' special reports,

subject to the conditions precedent of (i) adopting the preceding fifteenth and sixteenth resolutions (as amended, where applicable, in respect of resolutions E and F, in accordance with the proposed amendments) and (ii) the first admission of the Company's shares to trading on the Euronext market of NYSE-Euronext in Paris by 31 October 2013 inclusive, allowing funds to be raised of an amount between €15 million and €40 million,

in accordance with the provisions of Articles L.225-129-2, L.225-135, L.225-135-1, L.225-136 and L.228-92 of the French Commercial Code (Code de commerce),

delegates to the executive board, subject to the prior authorisation of the supervisory board, with the option of sub-delegation under the conditions set by law, its authority to decide on one or more share capital increases through the issuance, in France or abroad, in euros, foreign currencies or another monetary unit established by reference to several currencies, of ordinary shares of the Company and any securities giving access by whatever means, immediately and/or in the future, to new or existing Company shares, or providing entitlement to the allocation of debt securities, issued for valuable consideration or free of consideration, it being specified that the subscription of the shares and the other securities may take place either in cash or through the offsetting of claims,

decides that the total amount of the share capital increases that may be carried out immediately and/or in the future in accordance with the present resolution shall not exceed a nominal amount of €2,706,237, the nominal amount of these share capital increases being included within the overall limit set in the nineteenth resolution (as amended, where applicable, in respect of resolution I, in accordance with the proposed amendments),

where applicable, this amount may be increased by the additional nominal amount of the shares to be issued to preserve, in accordance with the law and the contractual terms, the rights of the bearers of securities giving access to the capital,

decides to cancel the preferential right of shareholders to subscribe for these securities, which will be issued through a public offering, and to give the executive board, subject to the prior authorisation of the supervisory board, in accordance with the provisions of Article L.225-135 of the French Commercial Code (Code de commerce), the option of introducing a priority period for the benefit of shareholders, the terms of which it shall set in accordance with the law, allowing them to subscribe for all or part of the securities to be issued, which priority period may possibly be supplemented by an excess subscription right,

notes that the decision to issue securities giving access to the capital entails, by operation of the law, the waiver by shareholders of their preferential right to subscribe for the equity securities to which these securities offer entitlement in accordance with the provisions of Article L.225-132 of the French Commercial Code (Code de commerce),

decides that the issue price of the equity securities to be issued by virtue of this delegation immediately or in the future shall be determined in accordance with the provisions of the first paragraph of point 1 of Article L.225-136 of the French Commercial Code (Code de commerce), subject to the application by the executive board, with the prior authorisation of the supervisory board, of the twenty-second resolution of this meeting, where applicable (as amended, where applicable, in respect of resolution L, in accordance with the proposed amendments),

delegates to the executive board, subject to the prior authorisation of the supervisory board, its authority to decide to issue securities giving access to the capital of the companies whose share capital the Company owns or will own, directly or indirectly, more than half of,

decides that the executive board, subject to the prior authorisation of the supervisory board, shall have all powers, with the option of delegation or sub-delegation, under the conditions provided for by law, to implement this resolution and particularly:

- (i) in the context of the Company shares' first admission to trading on the Euronext market of NYSE-Euronext in Paris, whether this is in the form of a global placement or a French open price offering to the public, to set the issue price of the new shares, which will result from comparing the number of shares offered for subscription with the subscription requests received from investors, using the book building technique, as developed by market professionals;*
- (ii) once the Company's shares have been admitted to trading on the Euronext market of NYSE-Euronext in Paris, the issue price of the Company shares issued directly shall be at least equal to the minimum provided for by the legal or regulatory provisions applicable on the issue date, which is currently, in accordance with the provisions of the first paragraph of Article L. 225-136-1° of the French Commercial Code (Code de commerce), the weighted average of the prices during the last three (3) trading sessions on the Euronext market of NYSE-Euronext in Paris preceding the setting of the share capital increase subscription price (possibly reduced by a maximum discount of 5% as provided for in Article R. 225-119 of the French Commercial Code), after adjustment of this average if there is a difference between the ex dates, where applicable,*
- (iii) set the terms and conditions of the share capital increase and determine the dates and terms and conditions of the issues that shall be carried out by virtue of this resolution;*
- (iv) determine the dates and terms of the share capital increase, the nature and characteristics of the securities to be created; also decide, in the case of bonds or other debt securities (including securities providing entitlement to the allocation of debt securities governed by Article L. 228-91 of the French Commercial Code (Code de commerce)), on whether or not they are subordinated (and, where applicable, their degree of subordination, in accordance with the provisions of Article L. 228-97 of the French Commercial Code (Code de commerce)), set their interest rate (particularly fixed or floating rate or zero or index-linked coupon) and, where applicable, provide for mandatory or optional cases of the suspension or non-payment of interest, determine their duration (dated or undated), the possibility of reducing or increasing the nominal amount of the securities and the other issuance*

(including the granting of guarantees or collateral) and redemption (including redemption through the delivery of the Company's assets) terms; where applicable, these securities may be accompanied by warrants providing entitlement to the allocation, purchase or subscription of bonds or other debt securities, or provide for the option for the Company of issuing debt securities (which may or may not be fungible) in settlement of interest the payment of which has been suspended by the Company, or take the form of complex bonds as defined by the stock market authorities (for example, due to their redemption or remuneration terms or other rights such as index-linking or the possibility of options); change, throughout the lifetime of the securities in question, the terms referred to above, in accordance with the applicable formalities;

- (v) set the subscription opening and closing dates, the price, in accordance with the subsections above, the entitlement date of the securities issued and the terms for the paying-up of shares, and set deadlines for their paying-up;*
- (vi) make all of the adjustments aimed at taking into account the effect of transactions on the Company's capital;*
- (vii) where applicable, provide for the option of suspending the exercise of the rights attached to the securities issued, in accordance with the legal and regulatory provisions;*
- (viii) deduct, if it considers this to be advisable, the expenses, duties and fees incurred by the issues from the corresponding premiums and deduct from this amount the sums required to bring the legal reserve to one tenth of the new capital after each issue;*
- (ix) and, more generally, take all useful or necessary measures, and particularly conclude any agreements or contracts, particularly to ensure the success of the proposed issues, complete any actions and formalities aimed at recognising completion of the share capital increase(s), change the Articles of Association accordingly, and complete all of the formalities required for the admission to trading of the shares issued,*

notes that this delegation will invalidate, as from the waiver of the last of the conditions precedent referred to above, the unused part of any previous delegation with the same purpose, and particularly the delegation with the same purpose voted for by the general meeting of 28 January 2013,

specifies, as necessary, that, until the last of the conditions precedent referred to above has been waived, the previous delegations with the same purpose, and particularly the delegation voted for by the general meeting of 28 January 2013, will remain in force,

decides that the delegation shall be granted to the executive board, subject to the prior authorisation of the supervisory board, for a duration of twenty-six (26) months as from the date of this meeting,

decides that the executive board, subject to the prior authorisation of the supervisory board, shall have all powers to acknowledge that the condition precedent referred to above relating to the admission to trading on the Euronext market of NYSE Euronext in Paris has been implemented, it being specified that this acknowledgement may take place on the day the offering price is finally

set, such that this price will result from comparing the number of shares offered for subscription with the subscription requests, according to the book building technique, after publication of the corresponding Euronext notice (and subject to the effective completion of the subsequent settlement transactions),

decides that, for the purposes of this resolution, any prior authorisation decision by the supervisory board shall be made based on a simple majority of the members present, considered to be present or represented,

decides that the supervisory board, voting based on the simple majority of the members present, considered to be present or represented, shall also have full powers to authorise the executive board to change the condition precedent referred to above relating to the admission to trading on the Euronext market of NYSE Euronext in Paris, to carry out this admission for an amount raised of less than €15 million, subject to a minimum amount set at €10 million."

4.6.2 The meeting of the Company's Supervisory Board that authorised the Executive Board to proceed with the issue

The Supervisory Board meeting of 13 June 2013 gave its prior authorisation to authorise the Executive Board to decide on the issue by virtue of the delegation of authority referred to in **subsection 4.6.1** above and as detailed in **subsection** *Erreur ! Source du renvoi introuvable.* below.

4.6.3 The meeting of the Company's Executive Board that authorised the issue

After prior authorisation by the supervisory board during its meeting of 13 June 2013, by virtue of the delegation of authority referred to in **subsection 4.6.1** above, the Company's Executive Board, at its meeting of 13 June 2013:

- decided on the principle of a cash share capital increase of a nominal amount of one million three hundred and fifty thousand three hundred and eight euros and seventy five cents (€ 1,350,308.75) through the issuance by means of a public offering, with cancellation of the preferential subscription right and with no priority period, of a maximum number of 5,401,235 Initial New Shares of a nominal value of €0.25 each. This number may be increased by a maximum number of 810,185 Additional New Shares resulting from a possible decision by the Executive Board, on the day the Offering's final terms and conditions are set, to increase the number of Offered Shares by a maximum of 15% compared to the number initially set (the "**Extension Clause**"), representing a share capital increase of a maximum nominal supplementary amount of € 202,546.25 (see **subsection 5.2.5** of this *Note d'Opération*);
- set the indicative range for the New Shares' issue price between € 3.24 and € 3.96 per share; it being specified that this range may be changed under the conditions provided for in **subsection 5.3.2.3** of the *Note d'Opération*.

The final terms of this share capital increase, which notably include the number and issue price of the New Shares, will be determined by the Company's Executive Board at a meeting expected to be held on 27 June 2013.

4.7 Scheduled settlement date of the shares

The scheduled date for the settlement of the Offered Shares is 2 July 2013, in accordance with the indicative timetable given in **subsection 5.1.1** of this *Note d'Opération*, and subject to the delivery of the fund custodian certificate and the non-termination of the Placement and Underwriting Agreement by the Banks (see **subsection 5.4.3** of this *Note d'Opération*).

4.8 Restrictions on the free transferability of the Company's shares

There is no clause in the Articles of Association restricting the free transfer of the shares making up the Company's capital.

A detailed description of the commitments made by the Company and its main financial shareholders and managers can be found in **subsection 7.3** of this *Note d'Opération*.

4.9 French regulations governing public offerings

As from the admission of its shares to trading on Euronext Paris, the Company will be subject to the prevailing legal and regulatory provisions in France relating to mandatory public offers, squeeze-outs and the buyout procedure.

4.9.1 Mandatory public offer

Article L. 433-3 of the French Monetary and Financial Code (*Code monétaire et financier*) and Articles 234-1 *et seq* of the AMF General Regulations set out the conditions for the mandatory filing of a public offer covering all of the equity securities of a company whose shares are admitted to trading on a regulated market.

4.9.2 Squeeze-out and compulsory buyout

Article L. 433-4 of the French Monetary and Financial Code and Articles 236-1 *et seq* (squeeze-out), 237-1 *et seq* (compulsory buyout following a squeeze-out) and 237-14 *et seq* (compulsory buyout following any public offer) of the AMF General Regulations set the conditions for filing a squeeze-out and implementing the procedure for a buyout of the non-controlling shareholders of a company whose shares are admitted to trading on a regulated market.

4.10 Public takeover bids for the Company's capital initiated by third-parties during the previous and current financial years

No public takeover bids for the Company's capital were initiated by third-parties during the previous and current financial years.

4.11 Tax regime of the Offered Shares

The information contained in this section summarises the tax regime applicable to New Shares in France. This presentation is based on the current French legal provisions and therefore may be changed by any subsequent amendments to these provisions or their interpretation by the French tax authorities or the relevant courts.

In all cases, the information contained in this section is simply a summary of the tax regime applicable on the date of approval of this Prospectus by the AMF and investors must examine their particular case with their usual tax advisor.

People who are not tax resident in France must also comply with the tax laws in force in their country of residence and, where applicable, with the provisions of the tax treaty applicable between France and such country.

4.11.1 Investors resident in France

- ***Individuals holding shares in their private assets and not carrying out stock market transactions under the same conditions as those characterised by the activity of a professional participant in this type of transaction.***

a) Dividends

a. General case

Dividends are first of all subject to a 21% fixed withholding.

60% of the gross dividend amount is then included in the overall income of investors subject to the sliding scale of income tax in the year the dividends are collected.

The 21% fixed withholding is deducted from income tax and, if it exceeds the amount of the tax effectively due, the surplus is returned to investors.

The gross amount of the dividends is also subject to various social security contributions, the overall rate of which is currently 15.5% and breaks down as follows: an 8.2% "CSG" tax, of which 5.1% is deductible from the income subject to income tax for the year in which the dividends were collected; a 0.5% "CRDS" tax; a 4.5% social security contribution and additional contributions; and a 2% solidarity tax (the "**Social Security Contributions**").

b. Special cases

Investors in a tax household whose reference taxable income the year before last was less than €50,000 (single, divorced or widowed taxpayers) or €75,000 (taxpayers subject to joint taxation) may, in certain conditions, request an exemption from the 21% fixed withholding.

The gross amount of the dividends is included, where applicable, in the reference taxable income of investors used as the base for the exceptional contribution by high earners, which is charged at a rate of 3% of the fraction between €250,000 and €500,000 (single, divorced or widowed taxpayers) or between €500,000 and €1,000,000 (taxpayers subject to joint taxation) and a rate of 4% of the fraction in excess of €500,000 (single, divorced or widowed taxpayers) or in excess of €1,000,000 (taxpayers subject to joint taxation) (the "**Exceptional Contribution by High Earners**").

Dividends paid on shares held in a share savings plan (*plan d'épargne en actions*) ("**PEA**") are not subject to the 21% fixed withholding and may, under certain conditions, be exempted from income tax.

b) Capital gains and capital losses

a. General case

The capital gains made on the disposal of shares are in theory included in the overall income of investors subject to the sliding scale of income tax in the year the capital gains were made. Capital losses can only be deducted from capital gains of the same kind made during the year of disposal and, possibly, during the next ten years.

The capital gains or losses taxable or deductible are however reduced by an allowance, the rate of which depends on how long the shares have been held: 20% if the shares have been held for at least two years and less than four years, 30% if the shares have been held for at least four years and less than six years and 40% if the shares have been held for more than six years.

Net capital gains are also subject to Social Security Contributions applied to the amount before the allowance for the holding period.

b. Special cases

The gross amount of the capital gains is included, where applicable, in the reference taxable income of investors used as a base for the Exceptional Contribution by High Earners.

Capital gains made through a PEA may, under certain conditions, be exempted from income tax.

Depending on the personal situation of investors, many special regimes (optional or mandatory) may apply, where applicable, to the capital gains and losses that they make.

- Entities subject to corporate tax.

a) Dividends

a. General case

Gross dividends are included in the income of investors subject to corporate tax (*impôt sur les sociétés*) ("IS") at the standard rate.

The standard rate of IS is currently 33.33%, which, where applicable, is increased by a social security contribution equal to 3.3% of the IS due after the application of an allowance that may not exceed €763,000 per twelve month period (the "**Additional Contribution**") and an exceptional contribution equal to 5% of the IS due for the financial years ending on or before 30 December 2015 by investors whose revenue exceeds €250 million (the "**Exceptional Contribution**").

The standard rate of IS is nevertheless reduced to 15% for the first €38,120 of income made per twelve month period by investors whose revenue excluding tax is less than €7,630,000 and at least 75% of whose fully paid up share capital has been continuously held throughout the financial year in question by individuals or by entities

(small and medium-sized enterprises) that meet all of these conditions themselves ("**SME**"). SME are also exempt from the Additional Contribution.

b. Special cases

Investors holding at least 5% of the Company's capital and voting rights may benefit, under certain conditions (notably ownership of their shares for at least 2 years), from a special regime (known as a "parent-subsidiary regime") by virtue of which dividends are not subject to IS, except for a share representative of expenses and charges set at a fixed rate of 5% of said dividends.

b) Capital gains and capital losses

a. General case

The gross capital gains or losses made on the sale of shares are included in the income of investors subject to IS at the standard rate and, where applicable, the Additional Contribution and the Exceptional Contribution.

b. Special cases

Investors whose Company shares may be described as "equity interests" (as defined in Article 219-I-a-quinquies of the French General Tax Code (*Code général des impôts*)) and who have held these shares for at least 2 years may benefit, under certain conditions, from a special regime (known as the "long-term capital gains or losses regime") by virtue of which the capital gains are not subject to IS, except for a share representative of expenses and charges set at a fixed rate of 12% of the gross amount of said capital gains; capital losses are not deductible and cannot be carried forward.

4.11.2 Investors residing outside France who do not hold shares through a stable establishment or fixed base in France, where applicable

a) Dividends

a. General case

Dividends are theoretically subject to withholding tax, the rate of which is set at:

- 21% if the beneficiaries are individuals resident in a Member State of the European Union, in Iceland, in Norway or in Lichtenstein;
- 75% if the dividends are paid outside France, in a Non-Cooperative Country or Territory ("**NCCT**")², regardless of the location of the beneficiaries' place of residence or registered office; and
- 30% in other cases.

² As defined in Article 238-0 A of the French General Tax Code. The list of the States and territories concerned is established annually by ministerial order.

b. Special cases

The withholding tax may be reduced, or even not applied, pursuant to various national special regimes and/or international tax treaties. The investors in question should contact their usual tax advisor in order to determine whether such regimes are likely to be applicable to their particular case and to find out the conditions and procedures for application of these regimes.

b) Capital gains and capital losses

a. General case

Capital gains made on the sale of the Company's shares are in theory not taxable in France.

b. Special cases

Subject to the stipulations of the most advantageous international tax treaties that may be applicable, capital gains are taxable in France if the rights to the Company's profits directly or indirectly held by the seller, his spouse, or their ascendants or descendants, exceeded 25% at any time during the five years preceding the sale. In this case, the capital gains are subject to tax in France at a proportional rate of 45%. Individual investors may, where applicable and under certain conditions, request the partial refund of this tax if it exceeds the tax for which they would have been liable had the sliding scale of income tax been applied.

Capital gains are also taxable in France, regardless of the percentage of the rights to the Company's profits held by the seller, if the seller is resident or established in a NCCT. In this case, the capital gains are subject to tax in France at a proportional rate of 75%.

In no cases are Social Security Contributions charged on capital gains.

4.11.3 Other investors

Any investors other than those described above are invited to examine their particular case with their usual tax advisor.

5. CONDITIONS OF THE OFFERING

5.1 Conditions of the Offering, indicative timetable and subscription process

5.1.1 Conditions of the Offering

The Offering (as defined below) will be carried out through placing on the market 5,401,235 Initial New Shares, which may be increased by a maximum number of 810,185 Additional New Shares if the Extension Clause is fully exercised. The Selling Shareholders may also place on the market a maximum of 931,713 Sold Shares if the Over-allotment Option is fully exercised.

The Offered Shares are set to be distributed as part of a global offering (the "**Offering**"), consisting of:

- a public offering in France in the form of an open price offering (*offre à prix ouvert*), mainly intended for individuals (the "**Open Price Offering**" or "**OPO**");
- a global placement mainly intended for institutional investors (the "**Global Placement**") consisting of:
 - a placement in France;
 - an international private placement in certain countries, excluding the USA.

The distribution of the Offered Shares to the public in France will take place in accordance with the provisions of Articles P 1.2.1 *et seq* of Book II of the Euronext Rule Book relating to the special rules applicable to French regulated markets. The Offered Shares will be divided between the Global Placement and the OPO according to the nature and size of the demand in accordance with the principles set out in Article 315-35 of the AMF General Regulations. If there is sufficient demand as part of the OPO, the number of Offered Shares allocated in response to the subscription orders issued in the context of the OPO will be at least equal to 10% of the number of New Shares.

The possible exercise of the Extension Clause will be decided on by the executive board, which will set the final terms of the Offering on, for indicative purposes, 27 June 2013.

The Selling Shareholders will grant the Sole Lead Manager and Joint Bookrunner acting in the name and on behalf of the Banks an Over-allotment Option allowing the purchase of Sold Shares representing a maximum of 15% of the number of New Shares, i.e. a maximum number of 931,713 Sold Shares.

Indicative timetable

13 June 2013	AMF approval of the Prospectus
14 June 2013	Suspension of trading of the existing shares on the Marché Libre Publication of the press release announcing the Offering Publication by Euronext Paris S.A. of the notice on the opening of the OPO Opening of the OPO and the Global Placement
26 June 2013	Closing of the OPO and the Global Placement at 5pm (Paris time) Centralisation of the OPO and the Global Placement
27 June 2013	Setting of the Offering Price and possible exercise of the Extension Clause Publication by Euronext Paris S.A. of the notice on the result of the Offering Publication of the press release indicating the price of the Offering, the final number of New Shares and the result of the Offering Execution of the Placement and Underwriting Agreement Start of stabilisation transactions, if any
28 June 2013	Start of trading in the Company's shares in the form of promises of shares (until 2 July inclusive)
2 July 2013	Settlement of the OPO and the Global Placement
3 July 2013	Start of trading in the Company's shares on Euronext Paris
26 July 2013	Deadline for exercising the Over-allotment Option End of stabilisation transactions, if any

5.1.2 Amount of the Offering

See **section 8** "*Expenses associated with the Offering*" of this *Note d'Opération*.

5.1.3 Offering procedure and period

5.1.3.1 Main characteristics of the Open Price Offering (OPO)

Duration of the OPO

The OPO will begin on 14 June 2013 and will end on 26 June 2013 at 5pm (Paris time) both for physical subscriptions and Internet-based subscriptions.

The OPO's closing date may be changed (see **subsection 5.3.2** of this *Note d'Opération*).

Number of shares offered in the context of the OPO

A minimum of 10% of the number of New Shares issued as part of the Offering will be offered in the context of the OPO.

The number of Offered Shares in the context of the OPO may be increased or decreased in accordance with the terms described in **subsection 5.1.1** of this *Note d'Opération*.

Persons authorised to receive and send subscription orders

Persons authorised to issue subscription orders in the context of the OPO are individuals of French nationality or resident in France or originating from one of the States that are party to the European Economic Area agreement and protocol (Member States of the European Union, Iceland, Norway and Liechtenstein, hereinafter the "**Member States of the EEA**"), mutual funds or entities registered in France or one of the Member States of the EEA, which are not, as defined in Article L. 233-3 of the French Commercial Code, under the control of entities or persons originating from States other than the Member States of the EEA, and investment associations and clubs registered in France or in a Member State of the EEA and whose members originate from France or one of the Member States of the EEA, subject to the stipulations given in **subsection 5.2.1** of this *Note d'Opération*. All other persons must seek information about local investment restrictions, as indicated in **subsection 5.2.1** of this *Note d'Opération*.

Individuals, entities and mutual funds that do not have accounts in France allowing for the subscription of shares in the context of the OPO will need to open such an account for this purpose with an intermediary authorised to place their subscription orders.

The subscription order must be signed by the originator or his representative or, in the case of discretionary management, his proxy. In this last case the investment manager must:

- either have a mandate setting out specific stipulations under the terms of which his client has undertaken, for transactions where each investor may only place only a single subscription order, to not place subscription orders without having requested and obtained written confirmation from the investment manager that he has not placed a subscription order for the same securities under the investment management mandate;
- or establish any other reasonable measures aimed at preventing multiple subscription orders (for example, informing the client that the investment manager has placed a subscription order on his behalf and that, as a result, the client cannot directly place a subscription order of the same kind without informing him in writing, before the closing of the transaction, of his decision, so that the investment manager can cancel the corresponding subscription order).

Categories of subscription orders that may be issued in response to the OPO

Any person wishing to participate in the OPO must file their subscription orders with a financial intermediary authorised to operate in France by 5pm (Paris time) on 26 June 2013 at the latest.

A subscription orders

In accordance with Article P 1.2.16 of Book II of the Euronext Rule Book relating to the special rules applicable to French regulated markets, subscription orders will be broken down according to the number of securities requested:

- A1 subscription order fraction: from 1 share to 300 shares; and
- A2 subscription order fraction: more than 300 shares.

A1 subscription order fractions will benefit from preferential treatment compared to A2 subscription order fractions if not all of the A subscription orders can be fully satisfied.

Furthermore, it should be noted that:

- each A subscription order must be for a minimum number of 1 share;
- an A subscription order originator can only issue a single A subscription order; this A subscription order cannot be split between several financial intermediaries and must be entrusted to a single financial intermediary;
- each member of a tax household may transmit an A subscription order. Subscription orders by minors must be placed by their legal representatives; each of these A subscription orders will benefit from the advantages that are usually attached to them; any reduction will apply separately to the subscription orders of each of said members of the tax household;
- no single A subscription order can cover a number of shares representing more than 20% of the number of shares offered in the context of the OPO;
- should the application of the reduction rate(s) fail to result in the allocation of a whole number of shares, this number would be rounded down to the next whole number;
- A subscription orders will be expressed in number of shares with no price indication and will be deemed to have been stipulated at the Offering Price;
- even in the event of a reduction, A subscription orders will be irrevocable, subject to the indications referred to in **subsection 5.3.2** of this *Note d'Opération*;
- any reductions applied to subscription orders will be indicated in the notice of the OPO's result, which will be published by Euronext Paris S.A.

Financial intermediaries authorised in France will transmit A subscription orders to Euronext Paris S.A. in accordance with the timetable and the terms specified in the notice of the OPO's opening, which will be published by Euronext Paris S.A.

It should be noted that the subscription orders would be invalid if the Company's press release indicating the final terms of the Global Placement and the OPO had not been published.

Reduction of subscription orders

A1 subscription order fractions have priority over A2 subscription order fractions. A reduction rate of up to 100% may be applied to A2 subscription order fractions to make up the A1 subscription order fractions.

The reductions will be carried out on a proportional basis, within each subscription order category. If the application of the reduction process results in a fractional number of shares, this number shall be rounded down to the next whole number.

Revocation of subscription orders

Subscription orders received in the context of the OPO are irrevocable, even in the event of a reduction, subject to the provisions applicable if a new indicative price range is set or if a price is set outside the indicative price range referred to below, or if the number of Offered Shares is changed (see **subsection 5.3.2** of this *Note d'Opération*).

Result of the OPO

The result of the OPO will be announced in a Company press release and a Euronext Paris S.A. notice, publication of which is scheduled for 27 June 2013, other than in the event of an early closing, in which case the press release and the notice shall be published on the day following the closing of the Offering.

This notice will state any reduction rate applied to the subscription orders.

5.1.3.2 Main characteristics of the Global Placement

Duration of the Global Placement

The Global Placement will begin on 14 June and will end on 26 June 2013 at 5pm (Paris time). If the OPO's closing date is deferred (see **subsection 5.3.2** of this *Note d'Opération*), the Global Placement's closing date may be deferred accordingly.

The Global Placement may be closed early without notice (see **subsection 5.3.2** of this *Note d'Opération*).

Persons authorised to issue subscription orders in the context of the Global Placement

The Global Placement will mainly be carried out with institutional investors in France and outside France (excluding the USA, Canada, Australia and Japan).

Subscription orders that may be issued in the context of the Global Placement

Subscription orders shall be expressed in number of shares or in amount requested. They may include conditions relating to the price.

Receiving and sending of subscription orders that may be issued in the context of the Global Placement

To be taken into account, subscription orders issued in the context of the Global Placement must be received by the Sole Lead Manager and Joint Bookrunner and the Joint Bookrunner by 5pm (Paris time) on 26 June 2013 at the latest, other than in the event of an early closing.

Only subscription orders with a price expressed in euros that is greater than or equal to the Offering Price, which will be set in the context of the Global Placement under the conditions indicated in **subsection 5.3.1** of this *Note d'Opération*, will be included in the allotment procedure.

Reduction of subscription orders

Subscription orders issued in the context of the Global Placement may be totally or partially reduced.

Revocation of subscription orders

Any subscription order issued in the context of the Global Placement may be revoked by contacting the Sole Lead Manager and Joint Bookrunner or the Joint Bookrunner that received the subscription order up to 26 June 2013 at 5pm (Paris time).

Result of the Global Placement

The result of the Global Placement will be announced in a Company press release and a Euronext Paris S.A. notice, publication of which is scheduled for 27 June 2013, other than in the event of an early closing, in which case the press release and the notice shall be published on the day following the closing of the Offering.

5.1.4 Revocation or suspension of the Offering

The Offering will be carried out providing that the Placement and Underwriting Agreement referred to in **subsection 5.4.3** of this *Note d'Opération* has been concluded and has not been terminated at the latest on the date of the Offering's settlement and that the fund custodian's certificate declaring the subscribing of the New Shares has been issued.

As a result, if the Placement and Underwriting Agreement was not concluded or was terminated or the custodian's certificate was not issued, the subscription orders, the Offering and the share capital increase carried out in the context of the Offering would be retroactively cancelled. Any trades in the shares that had occurred up to (and including) the settlement date would be cancelled and should be retroactively unwound. More specifically:

- the OPO and the Global Placement, as well as all of the subscription orders placed within this framework, would be retroactively cancelled;
- all of the trades in the Offered Shares that had occurred up to (and including) the settlement date would be retroactively cancelled and should be unwound. Each investor would be personally responsible for the resulting loss of earnings and, where applicable, the resulting costs, of such a cancellation.

If the Placement and Underwriting Agreement is not concluded or is terminated, or if the custodian's certificate is not issued, this information will be published by the Company in a press release and by Euronext Paris S.A in a notice.

Moreover, if the amount of the subscriptions were not to reach a minimum threshold of 75% of the contemplated share capital increase, i.e. the subscription of a minimum of 4,050,927 New Shares (representing an amount of around 14.5 million euros on the basis of the median of the Offering Price's indicative range of € 3.60), the Offering would be cancelled and the subscription orders void.

5.1.5 Reduction of the Offering

See **subsection 5.1.3** of this *Note d'Opération* for a description of the reduction of the subscription orders issued in the context of the Offering.

5.1.6 Minimum or maximum number of shares that a subscription order may cover

See **subsection 5.1.3.1** of this *Note d'Opération* for details on the minimum or maximum number of shares that the subscription orders issued in the context of the Open Price Offering may cover.

There is no minimum or maximum amount for the subscription orders issued in the context of the Global Placement.

5.1.7 Revocation of subscription orders

See **subsections 5.1.3.1 and 5.1.3.2** of this *Note d'Opération* respectively for a description of the revocation of the subscription orders issued in the context of the Open Price Offering and the Global Placement.

5.1.8 Payment of funds and process for the delivery of New Shares

The subscription price for the New Shares in the context of the Offering must be paid in cash by the originators by the Offering's settlement date at the latest, in other words, according to the indicative timetable, by 2 July 2013.

The shares will be registered on the originators' accounts as soon as possible after the publishing of the notice of the Offering's result by Euronext Paris S.A., in other words, according to the indicative timetable, as from 27 June 2013 and by the settlement date at the latest, i.e., according to the indicative timetable, by 2 July 2013.

The funds paid in conjunction with subscriptions will be centralised by CACEIS CORPORATE TRUST (14, rue Rouget de Lisle, 92189 Issy-les-Moulineaux), which will be responsible for producing the deposit of funds certificate declaring the completion of the share capital increase.

5.1.9 Publication of the Offering's result

The result and the final terms of the Offering will be published by the Company in a press release and by Euronext Paris S.A. in a notice whose publication is scheduled for 27 June 2013, except in the event of early closing (it being specified, however, that the duration of the OPO cannot be less than three trading days - see **subsection 5.3.2** of this *Note d'Opération*), in which case the press release and the notice should be published on the day after the closing of the Offering.

5.1.10 Preferential subscription rights

The share capital increase carried out in the context of the Offering will be carried out with the cancellation of the preferential subscription right.

5.2 Share distribution and allotment plan

5.2.1 Category of potential investors – Countries in which the offering will be available – Restrictions applicable to the Offering

5.2.1.1 *Category of potential investors and countries in which the Offering will be available*

The Offering consists of:

- a French Open Price Offering mainly intended for individuals;
- a Global Placement mainly intended for institutional investors consisting of:
 - a placement in France; and
 - an international private placement in certain countries, excluding the USA.

5.2.1.2 *Restrictions applicable to the Offering*

The distribution of the *Document de Base*, this *Note d'Opération*, the summary of the Prospectus or any other document or information relating to the transactions provided for by this *Note d'Opération* or the offer or sale or subscription of Company shares may, in certain countries, including the US, be covered by specific regulations. Persons in possession of the documents referred to above must inquire into any restrictions resulting from the local regulations and comply with them. Authorised intermediaries may not accept any subscription orders from clients whose address is located in a country that has introduced such restrictions and the corresponding subscription orders shall be deemed null and void. Any person (including trustees and nominees) receiving the *Document de Base*, the *Note d'Opération*, the summary of the Prospectus or any document or information relating to the Offering, must only distribute it in or send it to such countries in accordance with the laws and regulations applicable therein. Any person who, for whatever reason, sends the documents referred to above to such countries, or allows them to be sent there, must draw the recipient's attention to the stipulations contained in this section.

This *Note d'Opération*, the *Document de Base*, the summary of the Prospectus and the other documents relating to the transactions provided for by this *Note d'Opération* do not constitute an offer of sale or solicitation of an offer to subscribe for securities in any country in which such an offer or solicitation would be illegal. This *Note d'Opération*, the *Document de Base* and the summary of the Prospectus have not been registered or approved outside France.

5.2.1.2.1 *Restrictions regarding the US*

The Company's shares have not been and will not be registered in accordance with the U.S. Securities Act of 1933 (the "**Securities Act**"), or with any stock market regulatory authority dependant on a US State, or sold or transferred in any way in the US, or on behalf of, or for the benefit, of US persons, except after registration or in the context of transactions benefiting from an exemption from registration provided for by the Securities Act.

The *Document de Base*, this *Note d'Opération*, the summary of the Prospectus and any other document produced in the context of the Offering must not be distributed in the US.

5.2.1.2.2 Restrictions regarding Member States of the EEA (other than France)

For Member States of the EEA, other than France, that have transposed the Prospectus Directive (the "**Member States**"), no action has been or will be undertaken to allow a public offering of the Company's shares that makes it necessary to publish a prospectus in one of the Member States. As a result, the Company's shares may be offered in these Member States only:

- (e) to qualified investors, as defined in the Prospectus Directive, in accordance with Article 3.2(a) of the Prospectus Directive;
- (f) to less than 100, or if the Member State has transposed the relevant provision of the Amending Prospectus Directive, 150, individuals or entities (other than qualified investors as defined in the Prospectus Directive), subject to the prior agreement of the Sole Lead Manager and Joint Bookrunner and, for such an offering, in accordance with Articles 3.2(b) of the Prospectus Directive and 1.3(a)(i) of the Amending Prospectus Directive; or
- (g) to investors who purchase these securities for a total price of at least €50,000 per investor, or at least €100,000 if the Member State in question has transposed the relevant provision of the Amending Prospectus Directive;
- (h) in all other cases where the publication of a prospectus is not required under the provisions of Article 3 of the Prospectus Directive;

and providing that none of the offerings referred to in subsections (a) to (c) above require the publication of a prospectus by the Company or the establishments responsible for the placement in accordance with the provisions of Article 3 of the Prospectus Directive, or a supplement to the prospectus in accordance with the provisions of Article 16 of the Prospectus Directive.

For the purposes of this subsection, (a) a "**public offering**" in any Member State means the communication in whatever form and by whatever means of adequate information on the conditions of the offering and on the shares to be offered, so as to enable an investor to decide whether or not to subscribe for these shares, as possibly amended by the Member State by any measure transposing the Prospectus Directive, (b) the term "**Prospectus Directive**" means Directive 2003/71/EC of the European Parliament and Council of 4 November 2003 (as amended, including by the provisions of the Amending Prospectus Directive, if it has been transposed within the Member State) and includes any measure transposing this Directive within each Member State, (c) the term "**Amending Prospectus Directive**" means Directive 2010/73/EU of the European Parliament and Council of 24 November 2010.

5.2.1.2.3 Restrictions regarding the UK

The Prospectus has been published and is intended only for people who (i) are located outside the United Kingdom, (ii) are investment professionals in accordance with Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) (the "**FSMA**") Order 2005 (the "**Order**"), (iii)

are high net worth entities or any other person falling within the scope of Article 49(2) (a) to (d) of the Order (high net worth companies, unincorporated associations, etc.) or (iv) are persons to whom an invitation or inducement to engage in an investment activity (as defined in Article 21 of the FSMA) may be legally communicated or transmitted (hereinafter collectively referred to as the "**Qualified Persons**"). Invitations, offers or subscription, purchase or other agreements to purchase the Company's shares may only be proposed to or concluded with Qualified Persons. The Company's shares covered by the Prospectus may not be offered or issued for the benefit of persons located in the United Kingdom other than Qualified Persons. No-one other than a Qualified Person must act or rely on the Prospectus or any of its provisions. The persons responsible for distributing the Prospectus must comply with the legal conditions governing distribution of the Prospectus.

The Sole Lead Manager and Joint Bookrunner and the Joint Bookrunner each acknowledge and guarantee on their own behalf:

- (a) that they have complied with, and will comply with, all of the FSMA's provisions applicable to every measure that has or will be undertaken with regard to the Company's shares, whether this is in the UK, from the UK or in any other way involves the UK;
- (b) that they have not communicated or had communicated, or will not communicate or have communicated, any invitation or inducement to engage in an investment activity (as defined in Article 21 of the FSMA) received by them and relating to the issue or sale of the Company's shares, except in circumstances under which Article 21(1) of the FSMA does not apply to the Company.

5.2.1.2.4 Restrictions regarding Italy

The Prospectus has not been registered with, or authorised by, the *Comissione Nazionale per le Società e la Borsa* ("**CONSOB**") in accordance with the Prospectus Directive and the Italian regulations governing securities. The Offered Shares will not be offered, sold or delivered, directly or indirectly, in Italy, in the context of a public offering of financial products as defined in Article 1, paragraph 1 letter t) of Legislative Order no. 58 of 24 February 1998, as amended (the "**Law on Financial Services**"). As a result, the Offered Shares may only be offered, sold or delivered in Italy:

- (a) to qualified investors (*investitori qualificati*) as defined in Article 100 of the Law on Financial Services and in Article 34-ter(1)(b) of CONSOB Regulation no. 11971 of 14 May 1999, as amended (the "**CONSOB Regulation**");
- (b) under the conditions provided for in an exemption applicable to the rules governing public offerings, in accordance with Article 100 of the Law on Financial Services and Article 34-ter of the CONSOB Regulation.

Furthermore, subject to the above, any offer, sale or delivery of the Offered Shares in Italy or any distribution in Italy of copies of the Prospectus or any other document relating to the Offered Shares under the conditions referred to in subsections (a) and (b) above, must also be carried out:

- i. by an investment company, a bank or a financial intermediary authorised to conduct such activities in Italy in accordance with the Law on Financial Services, Legislative Order no. 385 of 1 September 1993 (the "**Banking Law**") and CONSOB regulation no. 16190 of 29 October 2007, as amended;
- ii. in accordance with Article 129 of the Banking Law and with the Bank of Italy's application guide by virtue of which the Bank of Italy may request certain information on the issue or offering of securities in Italy;
- iii. in accordance with any regulations governing securities, taxation and exchange controls, and any other applicable law and regulation, and particularly any other condition, limitation or restriction that may be imposed, where applicable, by the Italian authorities.

The Prospectus, any other document relating to the Offered Shares and the information that they contain may only be used by the original recipients. Persons residing or located in Italy other than the original recipients of these documents must not rely on these documents or their contents. Any person subscribing for the Offered Shares in the context of the Offering assumes full responsibility for checking that the Offering or the resale of the Offered Shares that it has purchased in the context of the Offering has been conducted in accordance with all of the applicable laws and regulations.

Article 100-bis of the Law on Financial Services limits the possibilities of transferring the Offered Shares in Italy if the Offered Shares are only placed with qualified investors and/or these Offered Shares are systematically resold, at any time during the 12 months following the placement, to unqualified investors on the secondary market. In such a case, if no prospectus compliant with the Prospectus Directive has been published, purchasers of Offered Shares who have acted outside the normal course of their activity or profession would be entitled, under certain conditions, to declare such purchases invalid and request compensation from the authorised persons at the premises where they purchased the Offered Shares, failing the application of an exemption provided for by the Law on Financial Services.

5.2.1.2.5 Restrictions regarding Canada, Australia and Japan

The Company' shares have not been, and will not be, registered in Japan, as defined by the Securities and Exchange Law of Japan (the "**Securities and Exchange Law**") and may not be sold or offered, directly or indirectly, in Japan, to a Japanese resident or on behalf of a Japanese resident (it being specified that the term resident applies to any person residing in Japan, including any company or any other entity subject to Japanese law) or to any other person in the context of a new offering or resale, directly or indirectly, in Japan, to a Japanese resident or on behalf of a Japanese resident, except in accordance with an exemption from the registration obligation or in

accordance with the provisions of the Securities and Exchange Law and any other obligation applicable by virtue of Japanese laws and regulations.

The Offered Shares may not be offered, sold or acquired in Canada or Australia or by a person located in Canada or Australia.

5.2.2 Intention to subscribe of the Company's main shareholders or the members of its administrative, management or supervisory bodies or of anyone intending to place a subscription order exceeding 5%

The Company is unaware of any such subscription intentions.

5.2.3 Pre-allotment information

This information is presented in subsections 5.1.1 and 5.1.3 of this *Note d'Opération*.

5.2.4 Notification to subscribers

The results of the Offering will be published by Euronext Paris S.A. in a notice on 27 June 2013 and in a Company press release that will specify any reductions applied to the subscription orders issued.

In the context of the OPO, investors will be informed of their allotments by their financial intermediary. In the context of the Global Placement, investors will be informed of their allotments by the Sole Lead Manager and Joint Bookrunner and by the Joint Bookrunner.

5.2.5 Extension Clause

Depending on demand, the Company may, in agreement with the Sole Lead Manager and Joint Bookrunner and the Joint Bookrunner, decide to increase the number of Initial New Shares by a maximum of 15%, i.e. a maximum of 810,185 Additional New Shares, at the Offering Price (as this term is defined in subsection 5.3.1 of this *Note d'Opération*).

The decision to exercise the Extension Clause will be made by the Executive Board when the price is set, which is scheduled for 27 June 2013, and will be included in the Company's press release and Euronext Paris S.A.'s notice announcing the result of the Offering.

5.2.6 Over-allotment Option

Climate Change Capital Private Equity LP, Climate Change Capital Private Equity Co-Investment LP and Oraxys Environment 1 SCA (the "**Selling Shareholders**") will grant the Sole Lead Manager and Joint Bookrunner, acting in the name and on the behalf of the Banks, an over-allotment option allowing the acquisition of the Sold Shares within a limit of 15% of the number of New Shares, after the possible exercise of the Extension Clause, i.e. a maximum of 931,713 Sold Shares (in line with the breakdown given in subsection 7.2 of this *Note d'Opération*), at the Offering Price (in accordance with the definition of this term in subsection 5.3.1 of this *Note d'Opération*) (the "**Over-allotment Option**").

This Over-allotment Option, which will cover any over-allotments and facilitate stabilisation transactions, may be exercised once at any time, in whole or in part, until the thirtieth calendar day

following the Offer's closing date, in other words until, for indicative purposes, 26 July 2013 at the latest.

If the Over-allotment Option is exercised, the information about this exercise and the number of Sold Shares will be announced to the public through a press release published by the Company and a notice published by Euronext Paris S.A.

5.3 Price setting

5.3.1 Price setting method

5.3.1.1 Price of New Shares

The price of the shares offered in the context of the French Open Price Offering will be equal to the price of the shares offered in the context of the Global Placement (the "**Offering Price**").

The Offering Price is scheduled to be set on 27 June 2013, it being specified that this date may be pushed back or brought forward as indicated in **subsection 5.3.2** of this *Note d'Opération*.

The Offering Price will result from the comparison of the shares offered and the subscription orders made by the investors, following the book building process as developed by professional practice

This comparison will notably be based on the following market criteria:

- ability of the investors selected to ensure the orderly development of the secondary market;
- order of arrival of investors' subscription orders;
- quantity requested;
- price sensitivity of the demand expressed by investors.

The Offering Price may be within a range of € 3.24 and € 3.96 per share. This range may be changed at any time up to (and including) the day scheduled for the closing of the Offering under the conditions provided for in **subsection 5.3.2** of this *Note d'Opération*. This information is given purely as an indication and in no way anticipates the Offering Price, which may be set outside this range under the conditions stipulated in **subsection 5.3.2** of this *Note d'Opération*.

5.3.1.2 Factors used to assess the price range

In preparing for its initial public offering, the Company has not communicated any forward-looking financial information to the financial community, including to financial analysts.

The indicative range for the Offering Price, as proposed in this *Note d'Opération* and set by the Company's Executive Board, is based on a market capitalisation for the Company of between € 55.0 million and € 70.5 million, after the share capital increase completed through the Offering.

This indicative price range is consistent with the results obtained from the valuation methods usually used in accordance with professional practices for proposed initial public offerings.

Trading multiples method

The trading multiples are presented below purely as an indication. This information in no way anticipates the Offering Price. The Offering Price will be set in accordance with the procedure described in **subsection 5.3.1** of this *Note d'Opération*.

The usual purpose of such comparisons is to compare the multiples of a company with those of listed companies within its sector that have similar profiles in terms of activity, underlying market and size to the company in question.

Revenue and operating profit multiples are presented purely as an indication below. As no companies comparable to OREGÉ had been identified based on all of the criteria of size, activity and underlying market, three samples of companies are proposed below:

- medical technology companies: these companies, like OREGÉ, are young companies offering an innovative technology at the start of the commercial phase with a very large target market. Although these companies operate in a different industry sector to Orège, they are at a comparable stage of their maturity;
- environmental services companies: these companies operate in the same sector of activity as OREGÉ (they may also be companies that are customers of OREGÉ)
- industrial equipment suppliers: these companies notably supply waste water treatment equipment. Some of them also supply sludge treatment equipment.

The following table shows the expected growth rates for companies in the sample. The first group, of early stage companies like Orège, shows significant growth and weak, or even negative, profitability. The two last groups comprise mature companies, showing more modest growth rates:

Company	Revenue growth %			Operating margin %		
	2013E	2014E	2015E	2013E	2014E	2015E
Medical technology						
EOS Imaging	61%	133%	35%	n.a.	n.a.	6.4%
Mauna Kea Technologies	75%	90%	14%	n.a.	n.a.	10.9%
Stentys	174%	107%	88%	n.a.	n.a.	n.s.
	103%	110%	46%	n.a.	n.a.	8.7%
	75%	107%	35%	n.a.	n.a.	8.7%
Environmental services						
Derichebourg	2.0%	4.3%	n.a.	3.0%	3.8%	n.a.
Seche Environnement	5.4%	(0.6)%	(0.2)%	9.5%	10.6%	11.3%
Suez Environnement	1.4%	3.6%	4.4%	7.7%	8.0%	8.3%
Veolia Environnement	(17.2)%	3.4%	2.4%	4.0%	4.4%	5.0%
	-2.1%	2.6%	2.2%	6.1%	6.7%	8.2%
	1.7%	3.5%	2.4%	5.9%	6.2%	8.3%
Industrial equipment suppliers						
GLV	1.0%	5.3%	n.d.	3.1%	3.7%	n.a.
BWT	2.6%	3.9%	5.6%	n.a.	n.a.	n.a.
Andritz	16.4%	7.0%	5.3%	5.6%	6.4%	6.6%
Alfa Laval	0.1%	5.8%	6.5%	15.1%	15.8%	16.2%
	5.0%	5.5%	5.8%	7.9%	8.6%	11.4%
	1.8%	5.5%	5.6%	5.6%	6.4%	11.4%

Source: Capital IQ, Bloomberg

The revenue and operating profit trading multiples for the sample are:

Company	Capi.	EV	Revenue x			Operating profit x		
	(EURm)	(EURm)	2013E	2014E	2015E	2013E	2014E	2015E
Medical technology								
EOS Imaging	137	111	6.61x	2.83x	2.10x	n.a.	n.a.	32.6x
Mauna Kea Technologies	136	101	5.69x	2.99x	2.62x	n.a.	n.a.	24.1x
Stentys	148	104	14.93x	7.21x	3.84x	n.a.	n.a.	n.a.
	Average		9.08x	4.35x	2.85x	n.a.	n.a.	28.3x
	Median		6.61x	2.99x	2.62x	n.a.	n.a.	28.3x
Environmental services								
Derichebourg	467	1,122	0.31x	0.30x	n.a.	10.4x	8.0x	n.a.
Seche Environnement	252	475	1.02x	1.02x	1.02x	10.7x	9.6x	9.0x
Suez Environnement	4,957	14,133	0.92x	0.89x	0.85x	11.9x	11.1x	10.3x
Veolia Environnement	4,720	17,468	0.72x	0.69x	0.68x	17.8x	15.7x	13.7x
	Average		0.74x	0.73x	0.85x	12.7x	11.1x	11.0x
	Median		0.82x	0.79x	0.85x	11.3x	10.4x	10.3x
Industrial equipment suppliers								
GLV	90	132	0.29x	0.28x	n.d.	9.6x	7.5x	n.a.
BWT	215	253	0.49x	0.47x	0.45x	n.a.	n.a.	n.a.
Andritz	4,104	3,516	0.58x	0.55x	0.52x	10.4x	8.5x	7.8x
Alfa Laval	6,638	7,057	2.07x	1.95x	1.83x	13.7x	12.4x	11.3x
	Average		0.86x	0.81x	0.93x	11.2x	9.5x	9.6x
	Median		0.54x	0.51x	0.52x	10.4x	8.5x	9.6x

Market capitalisation based on a basic number of shares, as of Jun-11-2013

EV = Market cap. + net debt + minority interests - equity method investments - other financial assets

Source: Capital IQ, Bloomberg

The results obtained by using this method are consistent with the proposed indicative price range.

Discounted cash flows

The discounted cash flow method is used to assess the Company's intrinsic value by factoring in its medium-term development outlook. The results obtained through the Company's use of this method are consistent with the indicative price range.

5.3.2 Procedure for publishing the Offering Price and changes to the Offering's characteristics

5.3.2.1 Offering Price setting date

The Offering Price is scheduled to be set on 27 June 2013, it being specified that this date could be pushed back if market conditions and the results of the bookbuilding process do not allow the Offering Price to be set in satisfactory conditions.

In this case, the new closing date for the Global Placement and the OPO and the new date scheduled for determining the Offering Price will be announced in a notice published by Euronext Paris S.A. and a press release published by the Company, at the latest by the eve of the OPO's initial closing date (without prejudice to the stipulations relating to changing the closing date of the Global Placement and the OPO if the price range is changed, if the Offering Price is set outside the range or if there is a change in the number of Offered Shares in the context of the Offering as presented in **subsection 5.3.2.3**).

Subscription orders issued in the context of the OPO before the publication of Euronext Paris S.A.'s notice and the Company's press release referred to above will be maintained unless they have been expressly revoked before the OPO's closing date (inclusive).

5.3.2.2 Publication of the Offering Price and the number of New Shares

The Offering Price and the final number of New Shares will be announced to the public through a press release published by the Company and a notice published by Euronext Paris S.A. on 27 June 2013, in accordance with the indicative timetable, unless the Offering Price is set early, in which case the press release and the notice should be published on the day when the Offering Price is set.

5.3.2.3 Change to the range, setting of the Offering Price outside the range and changing of the number of New Shares

Changes entailing the revocability of the subscription orders issued in the context of the OPO

If the upper limit of the price range is changed or if the Offering Price is set above the upper limit of the (initial or, where applicable, modified) price range, the following procedure will be applied:

- New terms: the new terms of the Offering will be announced to the public through a press release published by the Company or a notice published by Euronext Paris S.A. The Company's press release and Euronext Paris S.A.'s notice referred to above will indicate the new price range and, where applicable, the new timetable, with the new OPO closing date, the new date scheduled for the setting of the Offering Price and the new settlement date.

- The OPO's closing date: the OPO's closing date will be pushed back or a new period of subscription for the OPO will be opened, depending on the case, so that at least two trading days elapse between the publication date of the press release referred to above and the OPO's new closing date.
- Revocability of the subscription orders issued in the context of the OPO: subscription orders issued in the context of the OPO before the publication of the press release referred to above will be maintained unless they were expressly revoked before the OPO's new closing date inclusive. New irrevocable subscription orders may be issued up to the OPO's new closing date inclusive (these subscription orders may, however, be expressly revoked before the OPO's new closing date inclusive if the date for the setting of the Offering Price is pushed back again and/or if the Offering's terms are once more changed).

Changes not entailing the revocability of the subscription orders issued in the context of the OPO

- The Offering Price may be freely set below the lower limit of the indicative price range or the range may be lowered freely. The Offering Price or the new range will in this case be announced to the public under the conditions provided for in **subsection 5.3.2.2** of this *Note d'Opération* if there is no significant impact on the Offering's other characteristics.

As a result, if the setting of the Offering Price below the lower limit of the indicative price range or if the lowering of the price range had no significant impact on the Offering's other characteristics, the Offering Price will be announced to the public through the Company's press release and Euronext Paris S.A.'s notice referred to in **subsection 5.3.2.2** of this *Note d'Opération*, which shall be published, in accordance with the indicative timetable, on 27 June 2013, unless the Offering Price is set earlier, in which case the press release and the notice shall be published on the day the Offering Price is set.

- However, if the setting of the Offering Price below the lower limit of the indicative price range or the lowering of the price range had a significant impact on the Offering's other characteristics, the stipulations of **subsection 5.3.2.5** below would be applicable.
- The number of Offered Shares might also be changed and the stipulations of **subsection 5.3.2.5** below would be applicable, except if this change had no significant impact on the Offering's other characteristics.

5.3.2.4 *Early closing or extension of the Offering*

The closing dates of the Global Placement and the OPO may be brought forward (although the OPO must be valid for at least three trading days) or pushed back under the following conditions:

- if the closing date is brought forward, a press release will be published by the Company and a notice will be published by Euronext Paris S.A. announcing the new closing date by the eve of the new closing date at the latest.
- if the closing date is pushed back, a press release will be published by the Company and a notice will be published by Euronext Paris S.A. announcing the new closing date by the eve of the initial closing date at the latest. In this case, subscription orders issued in the

context of the French Open Price Offering before the publication of the Company's press release and Euronext Paris S.A.'s notice referred to above will be maintained unless they have been expressly revoked before the OPO's new closing date (inclusive).

5.3.2.5 Significant changes to the Offering's terms

If significant changes are made to the terms initially set for the Offering not provided for by this *Note d'Opération*, an addendum to the Prospectus will be submitted to the AMF for approval. Subscription orders issued in the context of the OPO and Global Placement will be invalid if the AMF does not authorise this addendum to the Prospectus. Subscription orders issued in the context of the OPO and the Global Placement before the publication of the addendum to the Prospectus authorised by the AMF may be revoked for at least two trading days after its publication (see **subsection 5.3.2.3** of this *Note d'Opération* for a description of a case in which this subsection would apply).

5.3.3 Restrictions to, or cancellation of, the preferential subscription right

New Shares are issued by virtue of the resolution J of the ordinary and extraordinary general meeting of 3 June 2013 authorising a share capital increase through a public offering with cancellation of the preferential subscription right (see **subsection 4.6.1** of this *Note d'Opération*).

5.3.4 Price disparity

Over the past twelve months, 81,900 share subscription options (BSA) and 273,430 founders' share subscription options (BSPCE) have also been awarded by the Company, providing entitlement to subscribe for a total of 355,330 shares. The main characteristics of these warrants are as follows:

- 136,308 BSPCE, exercisable as from 6 March 2013, conferring the right to subscribe for a total of 136,308 shares at a price of €3.01 per share;
- 45,436 BSPCE, exercisable as from 21 March 2013, conferring the right to subscribe for a total of 45,436 shares at a price of €3.01 per share;
- 91,686 BSPCE, exercisable as from 9 April 2013, conferring the right to subscribe for a total of 91,686 shares at a price of €3.01 per share;
- 81,900 BSA, exercisable as from 6 March 2013, conferring the right to subscribe for a total of 81,900 shares at a price of €3.01 per share.

Furthermore, the convertible bond issued by the general meeting of 28 January 2013 for a total amount of €2,147,637.40 and fully subscribed through offsetting against receivables held in respect of a current account advance made by Climate Change Capital Private Equity LP and Climate Change Capital Private Equity Co-Investment LP, will be converted into 740,496 shares under the condition precedent of the admission of the Company's shares to trading on Euronext Paris, in accordance with the decision of the extraordinary general meeting of 3 June 2013. The conversion of the bond results in a valuation of €2.90 per share, in other words a 19% discount to the median of the Offering Price's indicative range. This discount, in addition with a 10% rate, compensates investors for the risk taken in granting the loan on 3 December 2012.

Finally, the closing market price of the OREGÉ share on the Marché Libre on 10 June 2013 was € 2.80 per share. This price has not been used as a reference price in the context of the Offering. In practice, the lack of detailed historical financial information about the Company, and the very limited liquidity of the share on the Marché Libre, mean that the quoted price of the OREGÉ share on the Marché Libre has not been taken as an indicator of the Company's future market capitalisation and cannot be compared to the Offering Price's indicative range.

The median of the Offering Price's indicative range (i.e. € 3.60 per share) would represent a premium of 29% on the last market price on June 10, 2013 of the OREGÉ share on the Marché Libre (i.e. € 2.80 per share).

5.4 Placement and Underwriting

5.4.1 Contact details of sponsors

The Sole Lead Manager and Joint Bookrunner is: Société Générale - 17 Cours Valmy - 92987 Paris La Défense – France.

The Joint Bookrunner is: Invest Securities - 73, boulevard Haussmann – 75008 Paris – France.

5.4.2 Contact details of the establishments responsible for securities, financial and custodian services

The Company's securities services (keeping of the register of registered shareholders) and financial services (payment of dividends) will be provided by Caceis Corporate Trust (14, rue Rouget de Lisle, 92189 Issy-les-Moulineaux).

Caceis Corporate Trust will issue the deposit of funds certificate relating to this share capital increase.

5.4.3 Underwriting

The Offer will be covered by (i) an underwriting agreement with Société Générale as Sole Lead Manager and Joint Bookrunner (the "**Underwriting Establishment**") and (ii) a placement commitment from Invest Securities as Joint Bookrunner ("**Invest Securities**", the Underwriting Establishment and Invest Securities being collectively referred to as the "**Banks**") (the "**Placement and Underwriting Agreement**"). The Underwriting Establishment will undertake to ensure subscription and payment for the New Shares at the Offering Price on the settlement date. Failing this it will subscribe and pay for them itself.

This underwriting guarantee does not constitute a performance guarantee (*garantie de bonne fin*) as defined in Article L.225-145 of the French Commercial Code.

The Placement and Underwriting Agreement shall be signed on the date the Offering Price is set, which is 27 June 2013 in accordance with the indicative timetable.

The Placement and Underwriting Agreement may be terminated by the Banks, after consulting the Company, at any time up to (and including) the Offering's settlement date, scheduled for 2 July 2013, in certain circumstances that may affect the success of the Offering, particularly inaccuracies or non-compliance in respect of the Company's representations and warranties or one of its commitments, adverse changes in the Company's position or certain circumstances

affecting France or the US (particularly the suspending or limiting of trading on Euronext Paris, a significant adverse change affecting the financial markets in France, the UK or the US, the interruption of banking activities or the declaration of war or a state of emergency), or any other significant change in the national or international financial, political or economic situation, in as much as the Banks believe that these circumstances make the completion of the Offering impossible or inadvisable.

If the Placement and Underwriting Agreement is terminated or not concluded, the Company will publish a press release and inform Euronext Paris S.A. without delay, which will then publish a notice. **Subsection 5.1.4** above describes the consequences of the termination or non-conclusion of the Placement and Underwriting Agreement.

5.4.4 Lock-up commitments

This information is presented in **subsection 7.3** of this *Note d'Opération*.

5.4.5 Placement and Underwriting Agreement execution date and New Share settlement date

The Placement and Underwriting Agreement shall be executed on the date the Offering Price is set, which is 27 June 2013 in accordance with the indicative timetable. The settlement date of the New Shares is scheduled for 2 July 2013.

6 ADMISSION TO TRADING AND TRADING CONDITIONS

6.2 Admission to trading

The admission of all of the Company's shares on Euronext Paris is requested.

The trading conditions for all of the shares will be set in a notice published by Euronext Paris S.A. by the first day of trading in the shares at the latest, i.e. by 28 June 2013 in accordance with the indicative timetable.

From 28 June 2013 until the planned settlement date scheduled for 2 July 2013 inclusive, these shares will be traded under the conditions of Article L. 228-10 of the French Commercial Code, i.e. in the form of promises of shares, on a single trading line entitled "OREGE – PROMESSES", and will be subject to the condition precedent of the delivery of the custodian certificate relating to the issuance of the New Shares. As from 28 June 2013, the Company's shares will be traded on a trading line entitled "OREGE". No other requests for admission to trading on a regulated market have been made by the Company.

6.3 Listing market

As at the date of the AMF's approval of this Prospectus, the Company's shares are listed for trading on the Marché Libre.

6.4 Simultaneous share offering

N/A.

6.5 Liquidity agreement and share buyback programme

A liquidity agreement was concluded on 7 May 2008 between Invest Securities and some of the Company's shareholders to boost the share's liquidity on the Marché Libre. This agreement, which has been suspended since 4 September 2012, will be terminated as from the date of the shares' first listing on Euronext Paris.

The ordinary and extraordinary general meeting of shareholders of 3 June 2013 has approved a Company share buyback programme lasting 18 months, subject to the condition precedent of the first listing of the Company's shares on Euronext Paris.

The Company will inform the market prior to the implementation of this programme in accordance with the procedure set out in Articles 241-1 *et seq* of the AMF General Regulations. In particular, the Company expects to conclude a liquidity agreement with Invest Securities in the context of its buyback programme after the stabilisation period.

6.6 Stabilisation

Under the terms of the Placement and Underwriting Agreement referred to in **subsection 5.4.3** of this *Note d'Opération*, Société Générale (or any entity acting on its behalf), acting in its own name and on its own behalf and in the name and on the behalf of Invest Securities as the stabilising agent (the "**Stabilising Agent**") may (but will in no circumstances be obliged to) carry out stabilising transactions in accordance with the legal and regulatory provisions, particularly those of European Commission (EC) regulation no. 2273/2003 of 22 December 2003 implementing

European Parliament and Council directive 2003/06/EC of 28 January 2003 applicable to insider trading and market manipulation (the "**European Regulation**"). Note that there is no guarantee that such transactions will be implemented and in any case they may be ended at any time and without warning.

The purpose of stabilising transactions is to stabilise or support the market price of shares. They are likely to affect the market price of the shares and may result in a higher market price being set than would otherwise be the case. If such transactions are to be carried out, they may be completed at any time during a period of 30 calendar days as from the date the Offering Price is set, which means up to 26 July 2013 (inclusive) in accordance with the indicative timetable.

The relevant market authorities and the public will be informed by the Stabilising Agent in accordance with Article 9 of the European Regulation and Article 631-10 of the AMF General Regulations.

7 HOLDERS OF SECURITIES WHO WISH TO SELL THEM

7.1 Persons or entities wishing to sell equity securities or securities giving access to the Company's capital

The following current Company shareholders (the "**Selling Shareholders**") have undertaken to sell up to 931.713 Existing Shares in the Company in the context of the Over-allotment Option.

The following table indicates the names and possible links with the Company of each of the Selling Shareholders:

Selling Shareholders	Link with the Company in the last three years
Climate Change Capital Private Equity LP	Alex Betts, member of the Supervisory board of the Company, is Managing Director of Climate Change Capital Private Equity Fund
Climate Change Capital Private Equity Co-Investment LP	Alex Betts, member of the Supervisory board of the Company, is Managing Director of Climate Change Capital Private Equity Fund
Oraxys Environment 1 SCA	Gregory Fayolle, adviser at the Supervisory board of the Company, is the founder and CEO of Oraxys S.A.

7.2 Number and category of the securities offered by the holders of securities wishing to sell them

The table below shows the maximum number of Sold Shares (if the Over-allotment Option is fully exercised):

Selling Shareholders	Number of Sold Shares if the Over-allotment Option is fully exercised
Climate Change Capital Private Equity LP	740,805
Climate Change Capital Private Equity Co-Investment LP	7,361
Oraxys Environment 1 SCA	183,547

In the event that the Over-allotment Option is partially exercised, the number of Sold Shares will be reduced proportionally between the Selling Shareholders *pro rata* their initial undertaking.

7.3 Lock-up commitments

7.3.1 Lock-up commitment entered into by the Company

The Company undertakes towards the Underwriting Establishment and Invest Securities, as from the Placement and Underwriting Agreement execution date and for a period of 180 days following the New Shares' settlement date, not to (i) issue, offer, sell, pledge, grant an option or undertake to purchase any option or undertake to sell or grant any option, right or purchase or transfer warrant,

directly or indirectly (particularly in the form of dividends, distribution or other means of transfer), any Company share or other securities offering the right through conversion, exchange, redemption, presentation of a warrant or any other means to the award, purchase or subscription of Company shares or similar securities, (ii) or carry out short sales, or enter into derivative or hedging contracts or any other transaction that is intended, or could reasonably lead to or result in, the sale or transfer of shares or of these securities, (iii) or conclude any transaction with similar economic consequences, (iv) or publicly declare an intention to carry out one or more of the transactions listed above in this subsection, except with the prior written approval of the Banks; it being specified that the following are excluded from this lock-up commitment: (i) the issuance of the Offered Shares in the context of the Offering, (ii) shares sold or purchased under the share buyback programme as adopted by the general meeting of 3 June 2013, (iii) securities that may be issued, offered or sold to Company employees, including through the exercising of option and warrants (share subscription options, founders' share subscription options or share subscription or purchase warrants) granted under plans authorised by the Company's general meeting of shareholders on the date of approval of the Prospectus, and (iv) Company shares issued as part of a merger or as compensation for the purchase of the shares or assets of another entity, providing that the beneficiary of these shares agrees to be bound by the lock-up commitment presented above in this subsection.

7.3.2 Commitment to retain shares by the Company's main shareholders and main managers

Climate Change Capital Private Equity LP, Climate Change Capital Private Equity Co-Investment LP, Oraxys Environment 1 SCA, the Concerted Shareholders and some of the Company's other managers (who collectively own 77.29% of the capital on a non-diluted basis prior to the transaction, but after the conversion of the convertible bonds and the preference shares) have undertaken towards the Sole Lead Manager and Joint Bookrunner and towards the Joint Bookrunner not to, without the prior agreement of the Sole Lead Manager and Joint Bookrunner and of the Joint Bookrunner, as from 13 June 2013 (for a period expiring 540 days after the settlement date of the New Shares on Euronext Paris for the founding shareholders, for a period expiring 365 days after the date of the New Shares' settlement on Euronext Paris for the main managers and for a period expiring 180 days after the date of the New Shares' settlement on Euronext Paris for financial shareholders):

- 1) carry out, or undertake to carry out, any offer, loan, pledge, promise of sale, sale of an option or promise to buy, purchase of an option or promise to sell, award any options, rights to buy or otherwise transfer or sell, directly or indirectly, any shares (issued or to be issued) or any other securities whose exercise provides entitlement, through redemption, conversion, exchange or any other means, to the allocation of Company shares (issued or to be issued) (the "**Securities**"),
- 2) carry out any short sales, conclude or undertake to conclude any hedging contracts or other agreements intended to, or that might lead to or result in, the sale or transfer of any share or Security,

- 3) conclude, or undertake to conclude, any swap contracts or other agreements transferring to any third-parties, in whole or in part, the economic benefit of ownership of the shares or the Securities,
- 4) announce their intention to carry out one of the transactions listed above.

regardless of whether said transaction gives rise to payment in shares, in cash or in another form.

It is understood that this lock-up commitment only applies to the shares and Securities that each financial shareholder or manager holds on the commitment date, or that would be issued in their favour on the exercise of rights attached to the Securities outstanding on the settlement date (particularly any share subscription options (BSA) or founders' share subscription options (BSPCE) or convertible bonds).

The following are excluded from these lock-up commitments: (a) any transaction involving Company shares in the context of a public offering affecting the Company's shares, (b) any transaction involving Company shares subscribed for in the context of the Offering or purchased on the market prior to the first listing of the Company's shares.

Finally, for financial shareholders, the sale of shares as part of the exercise of the Over-allotment Option is an exception to their lock-up commitment.

8 EXPENSES ASSOCIATED WITH THE OFFERING

Based on the issuance of 6,211,420 New Shares at the median of the Offering Price's indicative range (i.e. € 3.60 per share):

- the gross proceeds will be around € 19.4 million (if the Extension Clause is not exercised), around € 22.4 million (if the Extension Clause is fully exercised);
- the net proceeds are estimated at around € 17.4 million (if the Extension Clause is not exercised), at around € 19.8 million (if the Extension Clause is fully exercised);
- the gross proceeds from the complete sale in the context of the Over-allotment Option of the Sold Shares amounts to € 3.4 million and the net proceeds from the complete sale of the Sold Shares due to the Selling Shareholders amounts to € 3.3 million.

On the same bases, the global remuneration of the financial intermediaries is estimated at around € 1.1 million (if the Extension Clause and the Over-allotment Option are not exercised) and a maximum of € 1.7 million (if the Extension Clause and the Over-allotment Option are fully exercised) of which € 0.1 million payable by the Selling Shareholders.

The other expenses payable by the Company in the context of the Offering are estimated at € 0.9 million if the Extension Clause is not exercised.

9 DILUTION

9.1 Impact of the Offering on the Company's shareholders' equity

Based on the consolidated shareholders' equity at 31 December 2012 and the number of shares making up the Company's capital on that date, the shareholders' equity per share, before and after completion of the Offering, is as follows based on the assumptions below:

- the issuance of 6,211,420 New Shares at a price of € 3.60 per share (i.e. the median of the indicative price range),
- the deduction of legal, accounting and administrative costs and the financial intermediary's remuneration from the issue premium.

	Share of shareholders' equity (in €)			
	Undiluted basis (100% issuance)	Diluted basis (100% issuance) ¹	Undiluted basis (75% issuance)	Diluted basis (75% issuance) ¹
Before issuance of the Initial New Shares	0.65 €	0.78 €	0.65 €	0.78 €
After issuance of the Initial New Shares (and before exercise of the Extension Clause)	1.59 €	1.63 €	1.41 €	1.47 €
After issuance of the Initial New Shares and the full exercise of the Extension Clause	1.68 €	1.72 €	N/A	N/A

¹ The calculations assume the subscription of all of the (i) 20,289 shares available for subscription through the exercise of all of the BSA (share subscription options) issued by the Executive Board on 31 March 2009, (ii) 74,175 shares available for subscription through the exercise of all of the BSA issued by the Executive Board on 6 March 2013, (iii) 55,000 shares available for subscription through the exercise of all of the BSPCE (founders' share subscription options) issued by the Executive Board on 31 March 2009, (iv) 234,195 shares available for subscription through the exercise of all of the BSPCE issued by the Executive Board on 21 December 2009, (v) 212,314 shares available for subscription through the exercise of all of the BSPCE issued by the Executive Board on 13 July 2010 and 30 September 2010, (vi) 97,932 shares available for subscription through the exercise of all of the BSPCE issued by the Executive Board on 28 January 2011, (vii) 136,308 shares available for subscription through the exercise of all of the BSPCE issued by the Executive Board on 6 March 2013, (viii) 45,436 available for subscription through the exercise of all of the BSPCE issued by the Executive Board on 21 March 2013 and (ix) 91,686 available for subscription through the exercise of all of the BSPCE issued by the Executive Board on 9 April 2013, which may result in the creation of a total of 967,335 shares.

9.2 Dilution amount and percentage resulting from the Offering

A shareholder holding 1% of the share capital before the conversion of all of the convertible bonds and of all of the preference shares would hold 0.56% of the share capital after those conversions, and 0.38% of the share capital after the Offering in case of full exercise of the Extension Clause.

As an indication, the effect of issuance of the New Shares on the interests of a shareholder holding 1% of the Company's share capital before and after the completion of the Offering is as follows:

	Shareholder's interest in %			
	Undiluted basis (100% issuance)	Diluted basis (100% issuance) ¹	Undiluted basis (75% issuance)	Diluted basis (75% issuance) ¹
Before issuance of the Initial New Shares	1.00 %	0.92 %	1.00 %	0.92 %
After issuance of the Initial New Shares (and before exercise of the Extension Clause)	0.68 %	0.65 %	0.74 %	0.70 %
After issuance of the Initial New Shares and the full exercise of the Extension Clause	0.65 %	0.62 %	N/A	N/A

¹ The calculations assume the subscription of all of the (i) 20,289 shares available for subscription through the exercise of all of the BSA (share subscription options) issued by the Executive Board on 31 March 2009, (ii) 74,175 shares available for subscription through the exercise of all of the BSA issued by the Executive Board on 6 March 2013, (iii) 55,000 shares available for subscription through the exercise of all of the BSPCE (founders' share subscription options) issued by the Executive Board on 31 March 2009, (iv) 234,195 shares available for subscription through the exercise of all of the BSPCE issued by the Executive Board on 21 December 2009, (v) 212,314 shares available for subscription through the exercise of all of the BSPCE issued by the Executive Board on 13 July 2010 and 30 September 2010, (vi) 97,932 shares available for subscription through the exercise of all of the BSPCE issued by the Executive Board on 28 January 2011, (vii) 136,308 shares available for subscription through the exercise of all of the BSPCE issued by the Executive Board on 6 March 2013, (viii) 45,436 available for subscription through the exercise of all of the BSPCE issued by the Executive Board on 21 March 2013 and (ix) 91,686 available for subscription through the exercise of all of the BSPCE issued by the Executive Board on 9 April 2013, which may result in the creation of a total of 967,335 shares.

9.3 Breakdown of share capital and voting rights

	Holding before the Offering ⁽¹⁾				Holding after the Offering ⁽²⁾				Holding after the Offering ⁽³⁾				Holding after the Offering ⁽⁴⁾			
Shareholders	Number of shares	% of capital	Number of voting rights	% of voting rights	Number of shares	% of capital	Number of voting rights	% of voting rights	Number of shares	% of capital	Number of voting rights	% of voting rights	Number of shares	% of capital	Number of voting rights	% of voting rights
Pascal Gendrot	1,789,350	15.45%	3,578,700	19.60%	1,789,350	10.54%	3,578,700	15.13%	1,789,350	10.06%	3,578,700	14.63%	2,056,149	10.96%	3,845,499	15.12%
Patrice Capeau	1,153,126	9.96%	2,278,900	12.48%	1,153,126	6.79%	2,278,900	9.63%	1,153,126	6.48%	2,278,900	9.31%	1,362,272	7.26%	2,488,046	9.78%
Michel Lopez	592,509	5.12%	1,157,666	6.34%	592,509	3.49%	1,157,666	4.89%	592,509	3.33%	1,157,666	4.73%	592,509	3.16%	1,157,666	4.55%
Guy Gendrot	265,359	2.29%	530,718	2.91%	265,359	1.56%	530,718	2.24%	265,359	1.49%	530,718	2.17%	265,359	1.41%	530,718	2.09%
George Gonsalves	80,756	0.70%	151,512	0.83%	80,756	0.48%	151,512	0.64%	80,756	0.45%	151,512	0.62%	180,810	0.96%	251,566	0.99%
Concerted shareholders sub-total	3,881,100	33.51%	7,697,496	42.17%	3,881,100	22.85%	7,697,496	32.54%	3,881,100	21.81%	7,697,496	31.46%	4,457,099	23.76%	8,273,495	32.53%
Climate Change Capital Private Equity LP ⁽⁵⁾	3,991,159	34.46%	5,965,701	32.68%	3,991,159	23.50%	5,965,701	25.22%	3,250,354	18.27%	5,224,896	21.36%	3,250,354	17.32%	5,224,896	20.54%
Climate Change Capital Private Equity Co-Investment LP	39,910	0.34%	59,655	0.33%	39,910	0.23%	59,655	0.25%	32,549	0.18%	52,294	0.21%	32,549	0.17%	52,294	0.21%
Oraxys Environment 1 SCA	1,096,857	9.47%	1,761,619	9.65%	1,096,857	6.46%	1,761,619	7.45%	913,310	5.13%	1,578,072	6.45%	913,310	4.87%	1,578,072	6.20%
Inocap	727,095	6.28%	727,095	3.98%	727,095	4.28%	727,095	3.07%	727,095	4.09%	727,095	2.97%	727,095	3.88%	727,095	2.86%
Efficap	604,674	5.22%	604,674	3.31%	604,674	3.56%	604,674	2.56%	604,674	3.40%	604,674	2.47%	604,674	3.22%	604,674	2.38%
Auris	334,815	2.89%	334,815	1.83%	334,815	1.97%	334,815	1.42%	334,815	1.88%	334,815	1.37%	334,815	1.78%	334,815	1.32%
Employees or corporate officers (excluding concerted shareholders)	121,080	1.05%	164,493	0.90%	121,080	0.71%	164,493	0.70%	121,080	0.68%	164,493	0.67%	512,416	2.73%	555,829	2.19%
Other	786,542	6.79%	939,210	5.15%	786,542	4.63%	939,210	3.97%	786,542	4.42%	939,210	3.84%	786,542	4.19%	939,210	3.69%
Free float					5,401,235	31.80%	5,401,235	22.83%	7,143,133	40.14%	7,143,133	29.20%	7,143,133	38.07%	7,143,133	28.09%
Total	11,583,232	100.00%	18,254,758	100.00%	16,984,467	100.00%	23,655,993	100.00%	17,794,652	100.00%	24,466,178	100.00%	18,761,987	100.00%	25,433,513	100.00%

- (1) Holding before the Offering subject to the condition precedent of the shares' admission to trading on Euronext Paris
- (2) Holding without exercise of the Extension Clause and the Over-allotment Option
- (3) Holding assuming the complete exercise of the Extension Clause and the Over-allotment Option
- (4) Holding assuming the complete exercise of the Extension Clause and the Over-allotment Option and of all of the securities conferring access to the capital (BSPCE and BSA, i.e. a total number of 967,335 ordinary shares)
- (5) The Climate Change Capital Private Equity LP, Climate Change Capital Private Equity Co-Investment LP and Oraxys Environment 1 SCA funds acquired stakes in the Company on 21 June 2011 through their equity investment in the form of class A preference shares.

10 ADDITIONAL INFORMATION

10.1 Advisors with a link to the transaction

Not applicable.

10.2 Other information verified by the statutory auditors

Not applicable.

10.3 Expert report

Not applicable.

10.4 Information contained in the Prospectus originating from a third-party

Not applicable.

10.5 Updating of information regarding the Company

The Company's ordinary and extraordinary general meeting of shareholders on 3 June 2013

At the Company's ordinary and extraordinary general meeting of shareholders on 3 June 2013, the Company's shareholders approved:

- (i) the financial statements for the year ended 31 December 2012 and the appropriation of results for the year, it being specified that, given the lack of a quorum due to the failure to include the interested parties, the general meeting did not vote on the resolution relating to regulated agreements governed by Article L.225-86 of the French Commercial Code and as a result a second ordinary general meeting will be called to approve this one resolution;
- (ii) the resolutions relating to the renewal and/or declaration of resignation of members of the supervisory board and the advisor (*censeur*) as presented in subsection 14.1.1 of the *Document de Base*;
- (iii) the resolutions relating to the conversion of the bond of a total amount of €2,147,637.40 into 740,496 Company ordinary shares, taking into account the amendment proposals made by the executive board at its meeting of 29 May 2013;
- (iv) the resolutions relating to the conversion of the class A preference shares into ordinary shares with a ratio of 1 class A preference share for every 1.65 ordinary shares, taking into account the amendment proposals made by the executive board at its meeting of 29 May 2013;
- (v) the resolutions authorising and mandating the executive board to decide whether to issue securities, it being specified that following the amendment proposals made by the executive board at its meeting of 29 May 2013, (a) the nominal global limit in the table of authorisations in subsection 20.1.5 of the *Document de Base* has been raised from €2,641,199 to €2,895,808 and (b) the specific nominal limits provided for in the 19th, 20th and 25th resolutions in subsection 20.1.5 of the *Document de Base* have each been raised from €2,361,628 to €2,706,237.

The resolutions referred to in subsections (iii) to (v) above may be implemented by the Executive Board, subject to the prior authorisation of a simple majority of the Supervisory Board and to the condition precedent of the admission to trading of the Company's shares on Euronext Paris.

Tax reassessment of the 2010, 2011 and 2012 research tax credits

The Company has been notified by a letter dated 5 June 2013 of the verification by the tax authorities of the 2010, 2011 and 2012 research tax credits, it being specified that the refund of the 2008 and 2009 research tax credits is still being reassessed by the tax authorities.

As referred to in subsection 4.5.3 of the *Document de Base* ("*Risk associated with research tax credit*") and assuming that the tax inspection will lead to a proposed adjustment by the tax authorities, the Company reserves the right to dispute the tax authorities' findings.

Contractual termination of Mr Philippe Andreani's employment contract

On 31 May 2013, Mr Philippe Andreani, who is the current Chief Operating Officer, signed a contractual termination of employment contract form with the Company, it being specified that on the date the Prospectus was authorised, the parties' right of withdrawal period had not yet expired. Note that Philippe Andreani, who became a member of the executive board on 4 March 2013, resigned from his position as member of the executive board by letter sent to the Company dated 26 April 2013 and was replaced by George Gonsalves as decided by the supervisory board on 30 April 2013.

Financing granted to the Company

On 31 May 2013, OSEO decided to grant the Company an advance repayable in 3 years of a total amount of €560,000 (consisting of a first tranche of €400,000 and a second tranche of €160,000). The Company received the first tranche on 1 June 2013.

Furthermore, on 31 May 2013, the Company received an agreement from COFACE on a "prospecting insurance" financing totalling € 800,000, in several tranches to be paid to the Company over 3 years and repayable as from the 4th year. A first, €96,600 tranche is expected to be paid to the Company in June 2013.

EPCM contract

Subsection 20.9.2 of the *Document de Base* stated that the customer party to one of the two EPCM contracts had requested that a 5- to 10-year lease option for the unsold portion of the treatment line be substituted for the exercise of the purchase option initially proposed together an operating mandate for Orège. Following recent discussions with said customer, the purchase of the entire treatment line is once again being considered. The discussions and negotiations are expected to continue for several weeks and to be finalised following completion of the performance tests scheduled to take place in the summer.

Correction to the information presented in the Document de Base

The amounts due and paid to Mr George Gonsalves as gross annual fixed remuneration under his employment contract as the Company's Chief Financial Officer at 31 December 2011 were €92,000 rather than €96,000 as incorrectly stated in subsection 15.1.1 of the *Document de Base*. Accordingly, his total remuneration at 31 December 2011 was €105,761 rather than €109,761 and the total remuneration attributable to the current members of the executive board at 31 December 2011 was €281,558 rather than €285,558 (as incorrectly stated in the tables in section 15.1.1 of the *Document de Base*).

Moreover, the amounts due and paid to Mr George Gonsalves as variable remuneration under his employment contract as the Company's Chief Financial Officer at 31 December 2012 were €11,200 rather

than €11,000 as incorrectly stated in subsection 15.1.1 of the *Document de Base*. Accordingly, his total remuneration at 31 December 2012 was €116,200 rather than €116,000 and the total remuneration attributable to the current members of the executive board at 31 December 2012 was €306,843 rather than €306,643 (as incorrectly stated in the tables in section 15.1.1 of the *Document de Base*).

In addition, the deferred income on research tax credits for financial year 2011 in the IFRS-compliant simplified statement of financial position in section 3 of the *Document de Base* is incorrect, and should be €3,444,035 rather than €3,476,670. Moreover, the deferred income on research tax credits for financial year 2012 in the IFRS-compliant simplified statement of financial position is incorrect, and should be €4,612,277 rather than €4,681,277.

Finally, concerning the breakdown of financial liabilities as at 27 May 2013 shown in the table in section 4.5.2 of the *Document de Base*, the amount of current account advances should be €400,000 rather than €380,000.

EXHIBIT II – DOCUMENT DE BASE

The following summary forms sections 1 to 25 of the *Document de Base* of the Company
dated May 29, 2013

1 PERSONS RESPONSIBLE

1.1 PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

Mr Pascal Gendrot, chairman of the Orège S.A. Executive Board.

1.2 Not applicable.

1.3 PERSONS RESPONSIBLE FOR THE FINANCIAL INFORMATION

Mr Pascal Gendrot Chairman of the Executive Board Address: 1, rue Pierre Vaudenay 78350 Jouy-en-Josas Telephone: + 33 (0) 1 39 46 64 32 Fax: + 33 (0) 1 39 46 70 64 e-mail: pascal.gendrot@orege.com	Mr George Gonsalves Chief Financial Officer and member of the Executive Board Address: 1, rue Pierre Vaudenay 78350 Jouy-en-Josas Telephone: + 33 (0) 1 39 46 64 32 Fax: + 33 (0) 1 39 46 70 64 e-mail: george.gonsalves@orege.com
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2 STATUTORY AUDITORS

2.1 PRINCIPAL STATUTORY AUDITOR

- **BDO FRANCE – A.B.P.R. ILE-DE-FRANCE, represented by Mr Philippe Benech**
7, rue du Parc de Clagny, 78000 Versailles
Member of the Regional Institute of Statutory Auditors of Versailles.

BDO France - A.B.P.R. Ile-de-France was appointed principal statutory auditor by the shareholders at the general meeting held on 21 December 2009, following the resignation of the previous principal statutory auditor, for the remainder of its predecessor's term of office, i.e., for a term of four financial years to expire at the close of the ordinary general meeting called to vote on the financial statements for the year ending 31 December 2013.

2.2 ALTERNATE STATUTORY AUDITOR

- **DYNA2, represented by Mr Rémy Poupin**
35, rue de Rome, 75008 Paris
Member of the Regional Institute of Statutory Auditors of Paris.

DYNA2 was appointed alternate statutory auditor by the shareholders at the general meeting held on 21 December 2009, following the resignation of the previous alternate statutory auditor, for the remainder of its predecessor's term of office, i.e., for a term of four financial years to expire at the close of the ordinary general meeting called to vote on the financial statements for the year ending 31 December 2013.

During the period covered by the historical financial information, none of the statutory auditors have resigned or been removed from office.

3 SUMMARY FINANCIAL INFORMATION

The summary financial information presented below is taken from the Company's annual financial statements, restated in accordance with the IFRS framework for the purposes of this *registration document*.

These summary accounting and operational data should be read together with the information in sections 9 (Operating and financial review), 10 (Liquidity and capital resources) and 20 (Financial information on the issuer's assets, financial position and results).

- ***Simplified statement of financial position***

Orège SA - IFRS (in €)	2012 12 months, audited	2011 12 months, audited
Non-current assets	14,942,624	11,084,959
<i>of which intangible assets</i>	<i>9,739,645</i>	<i>7,097,467</i>
<i>of which tangible fixed assets</i>	<i>1,587,702</i>	<i>1,457,715</i>
<i>of which deferred tax assets</i>	<i>3,579,405</i>	<i>2,508,249</i>
Current assets	5,033,261	6,213,195
<i>of which research tax credit receivable</i>	<i>3,404,161</i>	<i>2,235,919</i>
<i>of which other current assets</i>	<i>910,167</i>	<i>1,198,236</i>
<i>of which cash and cash equivalents</i>	<i>51,664</i>	<i>1,510,195</i>
TOTAL ASSETS	19,975,885	17,298,154
Shareholders' equity	7,509,260	9,001,167
Non-current liabilities	1,663,794	1,626,024
<i>of which borrowings</i>	<i>941,810</i>	<i>1,269,182</i>
Current liabilities	10,802,832	6,670,962
<i>of which borrowings and current banking facilities</i>	<i>2,494,001</i>	<i>246,277</i>
<i>of which deferred income on research tax credit</i>	<i>4,681,277</i>	<i>3,476,670</i>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	19,975,885	17,298,154

- ***Simplified income statement***

Orège SA - IFRS (in €)	2012 12 months, audited	2011 12 months, audited
Total income	1,053,800	1,259,614
<i>of which revenue</i>	<i>1,053,800</i>	<i>1,259,614</i>
Operating expense	-3,319,511	-3,280,456
Operating profit	-2,265,711	-2,020,842
Financial income	-114,062	-3,091
Net profit	-1,658,223	-1,436,570

- ***Simplified statement of cash flows***

Orège SA - IFRS (in €)	2012 12 months, audited	2011 12 months, audited
Cash flows from operations before financial income and taxes	-1,358,885	-1,383,347
Change in working capital requirements	305,611	-320,882
Cash flows related to operating activities	-1,144,370	-1,709,327
Cash flows related to investing activities	-3,451,335	-4,359,592
Cash flows related to financing activities	3,137,174	7,579,115
Net cash flows	-1,458,531	1,510,196

4 RISK FACTORS

Investors are advised to take into consideration all the information contained in this registration document, including the factors described in this chapter, before they decide to purchase or subscribe Company shares. In the course of preparing this registration document, the Company carried out a review of the risks that could have a material adverse impact on the Company, its business, its financial position or its results, and believes that no significant risks exist other than those listed below.

4.1 RISKS ASSOCIATED WITH THE COMPANY'S BUSINESS

4.1.1 Risks associated with technological developments

The Company's development and the continuation of its business activities are based on assumptions concerning the deployment of particularly innovative technologies, known as a "breakthrough technologies".

Such a market is characterised by the speed of technological developments of its products. Technological innovations on the market could affect the competitiveness of the Company's products and have an adverse impact on the value of its existing patents. In order to limit the risks associated with market developments, the Company's departments have put in place a technological watch system.

Moreover, the Company does not have a sufficient long-term perspective to assess the performance of its technologies, which means it is not in a position to determine all the developments and improvements that may be necessary in the medium-term.

The Company's success nevertheless depends to a large extent on its capacity to improve performance and reduce production costs and on the versatility of its existing technologies.

4.1.2 Risks associated with the emergence of alternative solutions

The Company believes that the technologies it has developed to date for the treatment of complex industrial effluents and the treatment and disposal of biological sludge from treatment plants and mineral sludge are particularly competitive.

However, the Company cannot guarantee that alternative solutions to the technologies it has developed (SOFHYS for industrial effluents and SLG for sludge) will not appear on the market at some future date, which would limit the Company's capacity to successfully commercialise its technologies.

The Company's competitors could also develop new technologies that are more efficient or less expensive than those developed by the Company, which could result in a drop in demand for the Company's existing technologies (see section 6.3).

In order to limit the risk of such an occurrence, the Company is constantly seeking to improve the performance and efficiency of its existing technologies. The Company also continues to develop new technologies.

The Company's business activities, financial position, results, expansion and medium and long-term prospects could be materially affected by the occurrence of this risk.

4.1.3 Risks associated with the results of, or delays in, research and industrial testing

At this stage in its development, the Company is usually required to carry out *in situ* research and testing before it can finalise partnership agreements that will ultimately enable it to commercialise its sludge and industrial effluent treatment technologies.

The Company has to allocate human resources to carry out the research and testing over a period of several weeks, and in some cases several months, without any guarantee of future commercial outlets.

The Company cannot guarantee that the outcome of research and testing carried out on the various industrial sites of its potential commercial partners will be satisfactory, or that they will be completed in accordance with the schedules agreed with the partners.

Any failure or any delay in the research and industrial testing carried out by the Company will, in most cases, mean that the technologies developed by the Company for that industrial site will not be rolled out commercially on this industrial site, which may have a material adverse impact on the Company's business, its results, its financial position and its prospects.

Furthermore, this research and testing requires the Company to optimise the recruitment process that it has already started. Given that there is no guarantee that testing will be followed by commercialisation, there is, however, a risk of a gap between the costs incurred and the anticipated revenue.

However, these risks are associated with the early stages of a project and should be eliminated in the medium term, when the Company will no longer need to carry out *in situ* research and testing.

4.1.4 Risks associated with design and construction

The nature of the Company's activities means that for certain projects it is involved at the facilities design and construction phase, in particular for industrial effluent treatment.

These risks are associated with turnkey contracts with an all-inclusive price. Under this type of contract, the Company agrees to take charge of the engineering, design and construction of ready-to-go treatment lines for a set price.

The actual costs incurred in connection with a turnkey contract may be significantly different to the initial forecasts, for a range of reasons including the occurrence of any of the following:

- (i) increases in the cost of raw materials, equipment or labour;
- (ii) unforeseen construction conditions;

- (iii) delays due to bad weather,
- (iv) natural disasters;
- (v) civil engineering problems; or
- (vi) default by suppliers or subcontractors.

A turnkey contract with an all-inclusive price does not provide, or will not necessarily provide, that the Company can increase the price to reflect factors that are difficult to foresee at the time of its offer.

In such circumstances, it is not always possible to accurately calculate the end costs or profits on a contract at the time of submission of the offer, or even when the Company starts work on execution of the contract.

If costs increase for any of the above reasons, the Company may make a lower profit margin or even suffer a substantial loss on the contract.

Time slippage is also a possibility, if the Company encounters problems concerning design, engineering, the supply chain, construction or the installation of its technologies on site, in particular with SOFHYS projects.

These factors may impact on the Company's capacity to complete certain projects on schedule. Under such circumstances, the Company may be required to pay financial compensation for late delivery or breach of other contractual clauses.

In order to limit the risks associated with design and construction, the Company plans to operate only as the prime contractor for works carried out. The Company also aims to limit all such risks through its insurance policies (see section 4.3).

4.1.5 Risk of dependency on certain suppliers or subcontractors

The Company uses subcontractors, in particular for the manufacture of batches of components, finished products and semi-finished products used to produce its technologies.

Although the Company factors in the risks that its subcontractors may default or terminate the contractual relationship, and has put in place measures to address these risks, any default on the part of a subcontractor could nevertheless have an impact on the production of the technologies offered by the Company.

However, the Company currently works with a diversified panel of between three and five industrial partners for the design and manufacture of its SOFHYS and SLG reactors. Furthermore, most of the suppliers and subcontractors it uses for the other equipment and components of the EPC treatment lines are local firms that have been recommended by the Company's customers.

Problems may arise during production and distribution that could result in delays in the supply of the technologies offered by the Company, which could in turn result in an increase in costs, a fall in sales, the deterioration of relationships with customers and, in some cases, the recall of products, which would harm the Company's image and generate a risk of a liability claim if the problems were discovered after commercialisation.

Furthermore, in 2012 the Company signed a five-year contract with one of its suppliers for the exclusive supply to the Company of key components used to manufacture SOFHYS treatment units.

In the event the supplier decides not to renew the contract on expiry, for reasons beyond the Company's control, the Company may be unable to find within a reasonable time period another supplier offering the same level of expertise on acceptable terms and conditions.

The Company has nevertheless identified and accredited some alternative suppliers which it could use in such a situation, and has tested the components they supply.

The Company has taken out insurance policies covering the risk of default by its subcontractors and suppliers (see section 4.3).

This type of event could have a material impact on the Company's business, prospects, financial position, results and developments.

4.1.6 Risk associated with on-going negotiations with commercial partners and default by such partners

As at the registration date of this registration document, the Company is negotiating several important industrial and commercial partnerships, essentially with large industrial groups. These partnerships are key to the future development of the Company's business.

The failure of these negotiations, any non-performance of Company contracts by the commercial partners or any economic failure by one or more of these partners could have a material adverse impact on the Company's business, results, financial position and prospects.

In order to limit the risk of default by its commercial partners, the Company carries out a solvency assessment prior to entering into any contractual relationship.

These commercial contracts may be entered into on an exclusive basis with each partner (in which case, the exclusivity would be limited to a specific business segment or geographic area), which would proportionately restrict the Company's capacity to expand in said segment or area.

Furthermore, when the Company arranges industrial testing or partnerships it is usually bound by a confidentiality clause, which means that it might not be able to communicate on its projects in an appropriate manner, which would restrict its commercial visibility.

4.1.7 Risk that the Company fails to meet its contractual performance undertakings

Most of the Company's commercial contracts contain performance undertakings relating to the treatment units sold or leased by the Company to its customers or partners. The Company may be required to pay a penalty if the contractual performance targets are not met. In order to limit, to the extent possible, the risk that the Company will fail to meet its contractual undertakings, the Company departments usually carry out a detailed and prudent assessment of the technical performance targets stipulated or implied in the said undertakings set out in a contractual appendix.

The Company's failure to meet its performance undertakings for key contracts, whether this non-performance is attributable to the Company itself or to a partner or subcontractor, may have a material adverse impact on the Company's business, results, financial position and prospects.

4.1.8 Risks associated with acquisitions

The Company is willing to consider the acquisition of companies or technologies in the short or medium term that would facilitate or provide access to new markets or new geographic areas, or which would be a source of synergies with its existing business activities.

In the event of such acquisition projects, the Company might not be in a position to identify appropriate targets, complete a transaction on satisfactory terms and conditions or at a satisfactory price, or to effectively integrate the newly acquired companies or activities, while meeting its operational targets or achieving the expected savings or synergies.

Moreover, the Company may not be in a position to obtain financing for such acquisition projects on favourable terms and conditions, and might need to fund the transaction using available cash that could have been allocated to other purposes within the framework of the Company's existing activities.

If the Company encounters difficulties when putting in place or carrying out its acquisitions policy, its capacity to achieve its financial objectives and develop its market share could be affected.

4.1.9 Risks relating to third-party liability and environmental liability

The sectors in which the Company operates expose it to a risk of claims for third party liability or environmental liability.

More specifically, in the course of its business activities the Company may be responsible for the operation and maintenance of facilities offered to its customers. The specific purpose of some of its facilities is to treat specific types of industrial waste, which may be toxic or dangerous.

Moreover, the Company currently operates on several 'Seveso' sites, most of which are classified as "high threshold". Any incident on any of these sites could result in serious harm to the Company employees working on the site, the neighbouring populations and/or the environment, and expose the Company to heavy liabilities.

In addition to technical and contractual measures, the Company also seeks to limit such risks through its insurance policies (see section 4.3). It has not, however, taken out specific insurance cover against environmental risks.

However, in some cases the Company's third party liability insurance policies may be inadequate, which could generate substantial costs and have an adverse impact on the Company's financial position, results and prospects.

4.1.10 Risks associated with the cost of raw materials

Purchases of raw materials, including in particular steel, plastic, stainless steel and composite materials, the prices of which may vary significantly, constitute a non-negligible operating expense for the Company.

The Company's contracts do not systematically contain index clauses to ensure any price variations will be reflected in adjustments to the Company's revenue.

In the event the Company is authorised to pass such costs on to its contracting parties, certain factors, including delays between the increase in costs and the time when the Company is authorised to increase its prices to cover its additional costs or the incompatibility of the price review formula with the type of costs and related taxes, might prevent the Company from recouping the additional costs in full.

Any sustained increase in purchase prices and/or taxes could have an adverse impact on the Company's business by increasing its costs and reducing its profitability, if it was unable to increase its prices sufficiently to cover the additional costs.

The Company has not put in place any specific procedures to manage the sensitivity of its technologies to changes in the cost of raw materials.

The Company makes efforts to limit all of these risks through promoting the versatile use of materials that can be used in the manufacture of both its SOFHYS and SLG reactors.

4.1.11 Risks associated with key personnel

The Company's success depends to a large extent on the performance and expertise of its senior managers and its key scientific and industrial personnel.

If any such employees leave the Company, this could result in a loss of know-how which would weaken certain business lines, especially if the employee joins a competitor, as well as gaps in the range of technical skills that could slow down operations and might adversely affect the Company's ability to achieve its objectives in the long term.

In view of this risk, the Company has put in place certain contractual arrangements that are specifically tailored to its business activities while remaining in compliance with employment law. These include non-compete clauses, clauses preventing the poaching of employees and clauses covering intellectual property.

To date, the Company has not taken out a so-called "key person" insurance policy (covering permanent disability/death). However, it is planning to take out this type of insurance cover in the near future.

Most of the Company's senior executives have built up extensive technical and scientific experience throughout their academic and professional careers (see section 6.2. for further information).

Moreover, the Company will need to hire new senior executives and qualified scientific personnel as part of the expansion of its activities. However, the Company is in competition with other companies (including in particular the major chemical and petrochemical groups operating in the industrial sludge, wastewater and waste treatment sectors), research bodies and academic institutions when trying to attract and retain highly qualified scientific, technical and managerial personnel.

In so far as competition is very fierce, the Company may not be able to attract or retain such key employees on conditions that are economically acceptable.

In view of this risk, the Company has put in place staff motivation and loyalty systems including, in particular, a variable remuneration package based on performance and a founders' share subscription warrant plan (BSPCE). In order to limit this risk, the Company intends to introduce an incentive scheme in the future.

4.1.12 Risks associated with economic cycles

Some of the Company's business lines, such as services provided to industrial customers in the industrial effluent treatment sector and the sludge treatment sector, are sensitive to economic cycles.

As the Company operates essentially in France and Europe, a large proportion of its business is sensitive to changes in the economic climate in this geographic area.

The Company's lack of geographic diversity is likely to exacerbate exposure to European economic cycles.

Any economic slowdown, in particular in Europe, may have an adverse effect on demand for services offered by the Company, which could have an adverse impact on the Company's business, results and prospects.

4.1.13 Risks associated with customer concentration levels

The majority of the Company's operating revenue was generated in 2011 and 2012 by two so-called "EPCM" contracts, under which the Company designs, industrialises, builds and commissions a global treatment facility or solution.

These two contracts represented 91.3% of the Company's revenues in 2011, and 97.9% of the Company's revenues in 2012.

However, the Company considers that these figures are not representative of its future business activities, given the number of projects due to be commercialised in the short term.

4.2 LEGAL RISKS

4.2.1 Risks associated with the patent portfolio

The Company's business is dependent upon the effective protection of its industrial property rights. The Company is, and will remain, the exclusive proprietor of the main patents used in the course of its business that are essential to its operations.

The Company makes efforts to limit all the risks described below through regular legal monitoring of its industrial property rights. In addition, it has appointed a specialist firm to manage its applications, to protect its interests and to defend its rights, so as to ensure it has optimum protection.

To date, the Company has not granted any third party any licence to use the patents it owns. However, the grant of any such license in the short or medium term cannot be ruled out, in particular in other countries.

4.2.1.1 Uncertain protection under the patents and other intellectual property rights held by the Company

The success of the Company's business is dependent upon its capacity to register, maintain and protect its patents and other intellectual property rights.

The patents currently held by the Company are listed in subsection 11.2.2 of this registration document. In particular, the patents relating to the SOFHYS and the SLG portfolios have a material impact on the Company's prospects. All the patents necessary for the commercial and industrial development of the SOFHYS and SLG technologies have been filed. The Company expects to file two patents complementary to these technologies in the near future.

The SOFHYS innovation is protected by two patent families:

- (i) one relates to a process and system for the purification of liquid effluents; French (FR2914919), European (EP2139818) and US (US8366938) patents have been granted (international application reference: PCT/FR2008/000521); and
- (ii) the other concerns a reactor; a French patent (FR2942220) was granted on 8 April 2011 and extended pursuant to an international application, reference PCT/FR2010/000131 (see summary table in subsection 11.2.2 of this registration document).

Three French patent applications were filed in connection with the SLG project, with two patents published on 4 May 2012 (patent applications FR2966818 and FR2966819) and extended on the basis of international applications (application PCT/FR2011/000582 published under number WO2012/056128A1 and application PCT/FR2011/000583 published under number WO2012/056129A1). These PCT

applications are currently in, or will shortly enter, the national phase in a large number of countries (see summary table in subsection 11.2.2 of this registration document). The third application (FR12/01310) was filed on 4 May 2012 (see summary table below), and is currently the subject of a PCT extension on the basis of prior art.

The Company primarily files patents in order to protect its technologies, but also makes use of other solutions for the protection of intellectual property rights such as trademarks, trade secrets, know-how, confidentiality agreements and other contractual restrictions.

However, these solutions only provide limited protection and might not be sufficient to prevent the unauthorised use of technologies and processes owned by the Company.

There is no guarantee that the Company's current and future patent applications will result in the patents being granted. Moreover, the Company has no guarantee that it is the first party to develop a particular invention and file a patent application, particularly because in most countries patent applications are only published 18 months after filing; prior rights established in any country could be raised to challenge an application.

The Company intends to continue to implement its patent protection policy for its inventions, by filing new patent applications whenever it considers this appropriate.

However, it cannot be ruled out that:

- (i) the Company may not develop any new patentable inventions;
- (ii) the Company's patents may be challenged and found to be invalid, or the Company may be unable to enforce them. The grant of a patent is no guarantee of its validity or the scope of its protection, and any third party may challenge a patent on either ground. Furthermore, it might be necessary to start proceedings in the courts or with the relevant offices and/or authorities to enforce the Company's intellectual property rights, protect its trade secrets and know-how or establish the validity and scope of its intellectual property rights. Any dispute could result in considerable expenditure and have an adverse impact on the Company's results and financial position, without any guarantee that its rights will be protected. The Company's competitors might successfully challenge the validity of its patents before a court or in any other proceedings. This might limit the scope of the patents and enable competitors to work around them. Accordingly, the Company's rights under any patents granted might not be protected against competition to the extent hoped for;
- (iii) the scope of protection granted by a patent may be insufficient to protect the Company against infringement or competition;
- (iv) third parties may claim ownership of rights covered by a patent or other intellectual property rights owned by the Company or held under a licence. Partnership agreements, contracts to provide services and subcontracts entered into with third parties by the Company expose it to the risk that the said third parties might claim the benefit of the intellectual property rights to

the inventions or the Company's non-patented improvements and know-how. Furthermore, the Company may be required to supply information, data and knowledge in various forms to the third parties with which it works (such as academic institutions and other public or private entities, specifically in the course of a study) concerning research, development, and the manufacture and commercialisation of its technologies. Despite the contractual and other precautions taken by the Company, such entities might claim ownership of intellectual property rights resulting from tests carried out by their employees. In the event that any intellectual property rights are jointly held in the future, the other joint proprietor may refuse to grant the Company exclusive exploitation rights on terms and conditions that it considers acceptable; or

- (v) the Company's employees may claim rights or demand payment of additional remuneration for inventions to which they contributed.

The occurrence of any of these events in connection with any patents or intellectual property rights owned by the Company could have a material adverse impact on the Company's business, prospects, financial position, results and development. As at the date of registration of this registration document, the Company is not aware of any such event.

To date, the Company has never been involved in any dispute concerning its intellectual property rights or the intellectual property rights of any third party.

4.2.1.2 Part of the Company's business activities could be dependent upon, or infringe, patents or other intellectual property rights owned by third parties

Third parties may consider that the technologies owned by the Company infringe their own intellectual property rights.

Any dispute or claim brought against the Company, irrespective of its outcome, could result in substantial costs and harm its reputation. More specifically, the Company does not necessarily have the requisite human and financial resources to bear the costs and organisational consequences of complex proceedings, and any dispute of this type could seriously affect the Company's ability to continue its business operations.

In the event of any dispute relating to intellectual property, the Company may also need to:

- (i) cease developing, selling or using the product or products involved in the intellectual property dispute; or
- (ii) obtain a licence from the owner of the intellectual property rights, which may be refused or which may be granted on unfavourable financial terms and conditions for the Company.

The occurrence of any of these events concerning any of the Company's patents or intellectual property rights could have a material adverse impact on the Company's business, prospects, financial position,

results and development. However, as at the date of registration of this registration document the Company is not aware of any such event.

4.2.1.3 The Company may be unable to protect the confidentiality of information and know-how

Information and/or products may be disclosed or entrusted to public or private entities, subcontractors or any other contracting party under any current or future agreements with the Company, for the purpose of testing. In such cases, the Company requires the signature of confidentiality agreements. Technologies, know-how and/or proprietary unpatented and/or unpatentable data are deemed equivalent to trade secrets which the Company seeks to protect in part through confidentiality agreements.

There is no guarantee that the methods used by the Company to protect agreements and/or know-how will give the expected level of protection or will be complied with by third parties, nor that the Company will be able to take action in the event of non-compliance. Moreover, the Company's trade secrets may be discovered by its competitors, or independently developed by them.

More specifically, the Company has no control over the conditions under which the third parties with which it does business in turn use the services of other parties and protect their confidential information, despite any clauses it may include in its confidentiality agreements.

The occurrence of one or more of these risks could have a material adverse impact on the Company's business, prospects, financial position, results and development.

4.2.2 Risks associated with regulatory change

It is likely that the Company's business will become subject to increasingly restrictive rules on the protection of the environment, public health, safety and security. Such rules typically cover effluents release, water quality, sludge treatment methods, the quality of sludge and, more generally, of waste, soil pollution and water table contamination.

Generally speaking, regulatory change is synonymous with new market opportunities for the Company. However, there are many risks and uncertainties associated with future environmental regulations, due in particular to the lack of clarity of certain regulations and the fact that regulators may modify their requirements regarding the implementation of such regulations and that the courts may change their interpretation of them.

More specifically, given the current economic and financial context, the introduction of certain planned regulations may be delayed or called into question, which would limit the number of new market opportunities for the Company.

Moreover, any changes to or tightening up of any regulations could result in additional costs and investments for the Company.

In order to anticipate and respond in an appropriate manner to these developments, the Company monitors the legal and regulatory environment on a regular basis.

4.2.3 Risks associated with contracts signed with public authorities

Contracts that the Company has signed or may sign with public authorities, in particular in connection with sludge treatment, may represent a substantial proportion of the Company's revenue in the near future.

However, in certain circumstances public authorities are entitled to unilaterally amend such contracts or even terminate them, provided they compensate the contracting party.

In the event of the unilateral amendment or termination of a contract by a public authority, the Company may not obtain sufficient compensation to offset in full the resulting shortfall in earnings.

4.3 RISK INSURANCE AND COVER

The Company has put in place a policy to ensure its main insurable risks are covered for amounts it considers compatible with its business operations. The total amount of premiums paid by the Company under all its insurance policies amounted to €57,227.07 and €36,237.99 for the financial years ended 31 December 2012 and 31 December 2011, respectively. The Company's insurance policies are summarised below:

Insurance policy / Risks covered	Insurer	Amount of cover	Expires
<u>Third-party liability</u> <ul style="list-style-type: none"> - Design, subcontracted manufacture, sale, installation, commissioning and maintenance of units and lines for the treatment and depollution of contaminated waters and industrial effluents; - Treatment of effluents on behalf of third parties; - Phytoremediation and landscaping services. 	Allianz Eurocourtage	<ul style="list-style-type: none"> ▪ Third-party liability after delivery: €3,500,000 /claim / year. ▪ Third-party liability from operations: €8,000,000 /claim. 	1 January
<u>Comprehensive – Premises, Aix-en-Provence and Vitrolles</u> <ul style="list-style-type: none"> - Tenant risk; - Contents and equipment (theft, breakage, accidental breakage of IT equipment); - Post-claim assistance. 	Covea Risks	<ul style="list-style-type: none"> ▪ Contents and equipment: Capped at €2,500,000. 	1 July
<u>Comprehensive – Offices, Jouy en Josas</u> <ul style="list-style-type: none"> - Tenant risk; - Contents and equipment (theft, breakage, flooding, accidental breakage of IT equipment); - Post-claim assistance. 	Allianz Eurocourtage	<ul style="list-style-type: none"> ▪ Contents and equipment: €89,109. 	1 June
<u>Goods in transit</u> <ul style="list-style-type: none"> - Goods covered: depollution systems and, more generally, all goods and equipment relating to the Company's business, including testing and demonstration equipment. 	Allianz Global C&S	<ul style="list-style-type: none"> ▪ Non-company transport: €100,000 / delivery / claim. ▪ Company transport: €50,000 / vehicle / claim. 	1 January

<u>All risks Installation - Testing</u> - All risks on site and during installation and testing.	GAN Eurocourtage	Amount of cover specific to each site.	8 September
<u>Mobile machinery breakage</u> - All accidental breakage of mobile machinery on trailers.	Allianz Eurocourtage	Amounts covered: total value of property, i.e., €100,000.	13 February
<u>Vehicle fleet</u> - Comprehensive insurance.	Covea Fleet	16 vehicles and 5 trailers (single excess: €300).	1 January
<u>Comprehensive IT insurance</u> - Comprehensive insurance cover for IT and office equipment.	AXA	Amounts insured: total value of property: €150,000.	1 May
<u>Directors' and officers' third-party liability</u> - Third-party liability cover for <i>de facto</i> and <i>de jure</i> directors and officers.	Chartis	€1,000,000.	1 June
<u>Directors' and officers' unemployment insurance</u>	GSC	Allowance of €103,690 in 2013 (paid over 12 months).	1 January
<u>Healthcare – All employees</u> - Private healthcare cover in addition to state health cover.	AXA	Cover based on actual expenditure or 400% of the Social Security refund rate.	1 January
<u>Provident insurance – All employees</u> (beneficiaries: all executive and non-executive employees)	AXA	Cover over and above state schemes.	1 January

4.4 RISKS ASSOCIATED WITH PENDING DISPUTES

As at the registration date of this registration document, other than the administrative proceedings initiated by the Company on 23 October 2012 against the Yvelines branch of the General Directorate of Public Finance, currently pending before the Versailles Administrative Court, concerning refusal to refund certain research tax credit receivables, and the related application for an interim payment made by the Company to the Presiding Judge of the Versailles Administrative Court dated 11 April 2013 (see description of proceedings in subsection 4.5.3), the Company is not aware of any other administrative, criminal, judicial or arbitration proceedings, including any that have been stayed or that are threatened, that are likely to have, or have had over the past 12 months, a material adverse impact on the Company, its business, its financial position, its results or its development.

4.5 FINANCIAL RISKS

The accounting data referred to in this section is derived from the Company's annual financial statements, restated under the IFRS framework, for the 2011 and 2012 financial years. Readers can also refer to note 23 "*Management of financial risks*" in the notes to the aforementioned financial statements, included in subsections 20.1.1 and 20.1.2 of this registration document.

4.5.1 Risks associated with historical losses

The Company has recorded operational losses every year since its incorporation in 2005. As at 31 December 2012, on the basis of the financial statements as restated under the IFRS framework, its aggregate net losses (including retained earnings) amounted to €3,850,763, including a net loss of €1,658,223 for the financial year ended 31 December 2012. Losses are essentially due to expenses incurred to develop the SOFHYS and SLG technologies.

The possibility cannot be ruled out that in future years the Company will record even more substantial operational losses than in previous years, as it continues its research and development, production and commercialisation activities, due in particular to:

- (i) marketing and sale expenses to be incurred as product development progresses;
- (ii) the pursuance of an active research and development policy, which may, if appropriate, include the acquisition of new technologies, products or licences;
- (iii) costs associated with the organisation and deployment of its distribution network;
- (iv) HR costs associated with the creation of an in-house industrial team; and
- (v) expenses to be incurred in connection with international expansion.

The increase in these costs could have a material adverse impact on the Company, its business, its financial position, its results, its development and its prospects.

4.5.2 Liquidity risk

The Company's long-standing loss-making situation can be explained by the innovative nature of the products it develops, requiring a research and development phase that takes a number of years before commercialisation. The Company has carried out a specific review of its liquidity risk and considers that it will only be able to meet its commitments over the next 12 months provided that:

- (i) it receives payment of the research tax credits for 2010, 2011, 2012 and 2013, corresponding to an aggregate amount, net of the OSEO financing, of approximately €3 million (which includes a receivable of approximately €1.7 million for 2010, 2011 and 2012 and a receivable of approximately €1.3 million for 2013), it being specified that payment of the research tax credits for 2008 and 2009 is the subject of an inspection by the tax authorities, referred to subsection 4.5.3, which could cast doubt over a part of the research tax credit receivables since 2010; or
- (ii) it is able to raise funding in the context of admission of its shares to trading on the Euronext market of NYSE-Euronext in Paris or, in the absence of such listing, is able to raise funding from private investors.

Moreover, an advance was granted in May 2013 by OSEO, repayable in three years for a total amount of

€560,000 (consisting of a first tranche of €400,000 and a second tranche of €160,000) was received in May 2013.

A financing application is also currently pending with COFACE.

The report by the statutory auditor on the financial statements prepared in accordance with French GAAP for the financial year ended 31 December 2012 contains an observation on the Company's ability to continue its business.

As at 31 December 2012, the Company's current assets stand at €5,033,261 (including available cash of €51,664) with short-term liabilities totalling €10,802,832 (including (i) €1,329,994, corresponding to a current account advance paid by Climate Change Capital Private Equity LP and Climate Change Capital Private Equity Co-Investment LP, which has been offset in full by the lenders' subscription to the bond issue approved by the shareholders at the general meeting of 28 January 2013 for an aggregate amount of €2,147,637.40³; subject to adoption of the corresponding resolution by the shareholders at the extraordinary general meeting to be held on 3 June 2013, this bond issue will be converted subject to the condition precedent of the Company's shares being admitted to trading on the regulated market of NYSE-Euronext in Paris, (ii) €1,724,000 corresponding to a liability deriving from the financing of receivables by OSEO and (iii) €591,606 corresponding to tax liabilities and €696,896 corresponding to social security liabilities), while liabilities payable after one year total €1,663,794.

The following table summarises all financial liabilities as at 31 December 2012, broken down by outstanding amounts at the end of the next four financial years:

(in €)	31/12/2012	31/12/2013	31/12/2014	31/12/2015	31/12/2016 and beyond
Convertible bond issue⁴	0	2,147,637	0	0	0
Bank loans	1,194,749	557,122	350,618	135,669	3,012
Finance lease liabilities	137,037	96,065	53,917	15,068	0
Shareholders' current account advances	1,329,994	0	0	0	0
Conditional advances	376,289	253,667	125,889	0	0
OSEO financing	1,724,000	0	0	0	0
Total financial liabilities	4,762,069	3,054,492	530,424	157,737	3,012

³ The 1,186,540 convertible bonds with a par value of €1.81 each, issued on 28 January 2013, are due to mature on 27 January 2014 and bear interest at the rate of 10% per annum. The other terms and conditions of this issue are set out in the appendix to the document containing the resolutions adopted by the shareholders at the extraordinary general meeting of 28 January 2013, published in the BALO Official Gazette no. 1300031 of 11 January 2013. These terms and conditions will be amended, provided the shareholders vote in favour of the corresponding resolution at the ordinary and extraordinary general meeting to be held on 3 June 2013 (the draft resolution concerning said amendment, which will be proposed to the shareholders at the ordinary and extraordinary general meeting, was published in the BALO Official Gazette no. 1302341 of 17 May 2013 taking into account the proposed amendments approved by the Executive Board at its meeting of 29 May 2013).

⁴ In the event the shareholders adopt the resolutions presented to the ordinary and extraordinary general meeting to be held on 3 June 2013 (which were published in the BALO Official Gazette no. 1302341 of 17 May 2013 and taking into account the proposed amendments approved by the Executive Board at its meeting of 29 May 2013), the convertible bond issue in the amount of €2,147,637 will be converted into 740,496 ordinary shares by resolution adopted by the shareholders at the said ordinary and extraordinary general meeting, subject to the condition precedent of the admission to listing of the Company's shares on the regulated market of NYSE-Euronext in Paris.

The bond issue and current account advance are described in subsection 4.5.2 above.

The bank loans are medium-term credit facilities that are repaid on a monthly basis over periods of between three and five years.

The conditional advance is described in subsection 4.5.4 (ii).

The OSEO financing (research tax credit – “**CIR**”) is described in note 7.2 in section 20. The accounting appendix contains details of the conditions for continuation of trading, including in particular the collection of the CIR receivable for 2010 and 2011, and the finalisation of OSEO financing (CIR) subscribed in order to compensate for the delay in receipt of the CIR receivables.

The Company has not entered into any debt covenants.

The following table shows the projected figures as at 27 May 2013 for the same financial liabilities as in the previous table, broken down by outstanding amounts at the end of the next four financial years:

(in €)	27/5/2013	31/12/2013	31/12/2014	31/12/2015	31/12/2016 and beyond
Convertible bond issue⁵	2,147,637	2,147,637	0	0	0
Bank loans	1,072,459	557,122	350,618	135,669	3,012
Finance lease liabilities	119,965	96,065	53,917	15,068	0
Shareholders' current account advances	380,000	0	0	0	0
Conditional advances	356,680	253,667	125,889	0	0
OSEO financing	1,724,000	0	0	0	0
Total financial liabilities	5,800,741	3,054,492	530,424	157,737	3,012

4.5.3 Risks associated with research tax credit

In order to finance its operations the Company has also opted for the research tax credit (Crédit d'Impôt Recherche – “**CIR**”) scheme, under which the government offers tax credits to companies making substantial research and development investments. Research expenses eligible for the CIR include, in particular, wages and salaries, depreciation of research equipment, the cost of services subcontracted to accredited (public or private) research bodies and costs associated with intellectual property rights.

In 2009 and 2010 the Company received research tax credit refunds from the French Treasury for 2008 and 2009 amounting to €305,434 and €697,976, respectively. However, in October 2011, the tax authorities started a tax inspection procedure against the Company relating in particular to the Company's research tax credit receivables for the 2008 and 2009 financial years. The tax authorities disputed part of

⁵ See footnote 2

the CIR receivables. The Company challenged all points of the proposed tax reassessment on 22 February 2013, and the proceedings are still pending as at the date of this registration document.

In February and March 2012, the Company filed CIR refund requests with the tax authorities for the 2010 and 2011 financial years, totalling €2,229,663. As the tax authorities had still not refunded the receivables by the start of July 2012 and the Company had urgent cash flow needs, it assigned its receivables relating to the CIR to OSEO.

On 16 July 2012, OSEO therefore purchased the full amount of the Company's CIR receivables for the 2010 and 2011 financial years in exchange for a credit facility corresponding to 80% of the nominal value of said receivables, which value was confirmed by an independent expert appointed by the credit institution.

In August 2012, the tax authorities refused to accept the Company's claims relating to the CIR refund on the ground that the financing of the receivables meant they could no longer be immediately refunded to OSEO.

The Company disputes the legal ground for this refusal and is contesting the tax authority's decision. On 23 October 2012, the Company filed a claim with the Versailles Administrative Court (*Tribunal administratif*) initiating proceedings against the Yvelines branch of the General Directorate of Public Finance. These proceedings are still pending as at the date of this registration document.

In connection with these proceedings before the administrative courts, the Company has also filed an application for an interim payment order with the Presiding Judge of the Versailles Administrative Court on 11 April 2013, seeking an interim payment of (i) €1,029,387, corresponding to the refund of the Company's research tax credit for 2010, and (ii) €1,200,276, corresponding to the refund of the Company's research tax credit for 2011, arguing that there are no serious grounds to challenge the receivables. The Presiding Judge of the Versailles Administrative Court has not handed down an interim payment order as at the date of this registration document.

In view of the disagreement between the tax authorities and the Company concerning, in particular, the eligibility of the Company's projects, the possibility that the tax authorities will refuse to immediately refund the 2012 tax credit and challenge the validity of part of its CIR receivables for 2010, 2011, 2012 and for the current and future financial years cannot be ruled out. Although the Company is clearly justified in challenging the position adopted by the tax authorities, this situation could have an adverse impact on the Company's results, financial position and prospects.

A provision of €33,965 was recognised in the Company's accounts as at 31 December 2012, corresponding to the fraction of the reassessment that is not disputed by the Company. The Company has challenged the remainder of the reassessed amount and has not, therefore, entered any corresponding provision.

4.5.4 Risks associated with access to government aid

In view of current budget restrictions and OSEO's existing investment in the Company, the Company cannot hope to receive any further government aid, in particular from OSEO.

Since its incorporation, the Company has received three reimbursable innovation grants from OSEO:

- (i) An initial amount (subsidy) of €50,000, paid in December 2008 for a feasibility study for an innovative industrial effluent treatment unit;
- (ii) A second amount (innovation grant linked to a fund raising) of €400,000, paid in February 2010 for a programme relating to the development and optimisation of a physicochemical reactor. An additional amount of €50,000 paid as a subsidy was received in November 2010, bringing the total grant to €450,000. The Company will reimburse this in three annual instalments, between 31 March 2013 and 31 March 2015; and
- (iii) OSEO made a third payment in May 2013 in the form of an advance repayable in three years for an aggregate amount of €560,000 (comprising an initial tranche of €400,000 and a second tranche of €160,000).

4.5.5 Currency risk

The Company is currently exposed to an almost non-existent currency risk, in that it operates essentially within the Eurozone. More specifically, the Company did not record a net currency loss in 2011 or 2012.

In view of this, the Company has not made any hedging arrangements to protect itself against fluctuations in exchange rates at this stage in its development. However, the Company cannot exclude the risk that a significant increase in its business operations, due in particular to international expansion, will increase the Company's exposure to currency risks and ultimately compel it to implement a suitable hedging policy.

4.5.6 Credit risk

The Company manages its available cash carefully. Cash and cash equivalents include available cash and current financial instruments held by the Company (primarily marketable securities and structured, fixed term money market products).

Moreover, the credit risk associated with cash and cash equivalents and financial instruments is not material, given the quality of the financial institutions involved (please refer to note 23 to the financial statements, as restated under the IFRS framework, included in subsection 20.1.1 of this registration document).

4.5.7 Interest rate risk

The Company has very little exposure to interest rate risk. As of the date of this registration document, none of the Company's loans are variable rate loans. The following table summarises the Company's net exposure to interest rate risk, before and after hedging:

31/12/2012	Financial assets (a)	Financial liabilities in € (*) (b)	Net exposure before hedging in € (c) = (a) – (b)	Hedges (d)	Net exposure after hedging in € (e) = (c) + (d)
Less than one year	N/A	3,820,259	- 3,820,259	N/A	- 3,820,259
1 - 2 years	N/A	390,435	- 390,435	N/A	- 390,435
2 - 5 years	N/A	530,828	- 530,828	N/A	- 530,828
More than 5 years	N/A	20,547	- 20,547	N/A	- 20,547
Total	N/A	4,762,069	- 4,762,069	N/A	- 4,762,069

(*) Financial liabilities consist of advances and OSEO financing of receivables, bank loans, shareholders' current account advances and financial leases.

The following table shows sensitivity to the interest rate risk of financial assets and liabilities:

	2012	
	Impact on pre-tax profit in €	Pre-tax impact on equity in €
Impact with a variation in interest rates of + 1%	47,621	47,621
Impact with a variation in interest rates of – 1%	47,621	47,621

4.5.8 Risk of dilution

Since its incorporation, the Company has issued and awarded share subscription warrants (*bons de souscription d'actions* – “**BSA**”) and founders' share subscription warrants (*bons de souscription de parts de créateur d'entreprise* – “**BSPCE**”).

As at the date of this registration document, if all instruments giving access to the capital that have been awarded and are outstanding as at the date of registration of this registration document were exercised, this would result in the subscription of 967,335 new shares, resulting in an approximately 8.35% dilution of the existing capital on the day of admission of the Company's shares to listing on the Euronext market of NYSE-Euronext in Paris, and an approximately 7.71% dilution on a fully diluted capital basis.

A table summarising all the securities giving access to the capital as at the date of registration of this registration document can be found in subsection 21.1.4 of this registration document.

The exercise of the issued and outstanding instruments giving access to the Company's capital and any additional issues or awards would result in a substantial dilution of the Company's shareholders' interests.

5 INFORMATION ABOUT THE COMPANY

5.1 HISTORY AND DEVELOPMENT OF THE COMPANY

5.1.1 Company name

The Company's name is: Orège.

5.1.2 Place of Company registration and registration number

Orège, which was originally called "Hodis"⁶, was registered with the Aix-en-Provence Trade and Companies Register on 3 November 2004 under number 479 301 079. Following the transfer of its registered office, Orège registered with the Versailles Trade and Companies Register on 7 February 2008.

5.1.3 Date and length of incorporation

The Company was incorporated for a 99 year period, to expire on 2 November 2103, subject to early dissolution or extension.

5.1.4 Country of origin, legal form, legislation governing the Company's business activities and registered office

Orège is a French company. It was originally incorporated in the form of a *société à responsabilité limitée* (private limited liability company) and was transformed into a *société anonyme à directoire et conseil de surveillance* (limited company with an executive board and a supervisory board) by resolution of the shareholders at the extraordinary general meeting held on 1 December 2007.

The Company is governed by French law, and more specifically operates in accordance with Articles L. 225-1 *et seq.* of the French Commercial Code (*Code de commerce*).

The Company's registered office is at: 1, rue Pierre Vaudenay, 78350 Jouy-en-Josas. Its contact details are as follows:

Telephone: +33 (0)1 39 46 64 32

Fax: +33 (0)1 39 46 70 64

e-mail: info@orege.com

website: www.orege.com

⁶ Since its incorporation and until the general meeting held on 4 September 2007, at which the shareholders resolved to change the company name from "Hodis" to "Orège".

5.1.5 Milestones in the development of the Company

2004

- November: creation of the Company in the form of a *société à responsabilité limitée* (private limited liability company) called "Hodis".

2005

- December: transfer of the Company's registered office to Aix-en-Provence.

2006

- December: first fundraising from "friends and family" totalling €100,000.
- Association of the three founders (Patrice Capeau, Michel Lopez and Pascal Gendrot).

2007

- First patent filed for the treatment of industrial effluent (SOFHYS technology);
- First conclusive pilot tests for the treatment of industrial effluent and sludge;
- Further calls for funds from friends and family totalling approximately €300,000;
- Transformation of the Company into a *société anonyme* (limited company) with an executive board and a supervisory board;
- Change of Company name from "Hodis" to "Orège".

2008

- February: fundraising from founders, "friends and family" in the amount of €248,000;
- April: Company shares admitted to listing on the Marché Libre;
- Creation of a technological division in Aix-en-Provence, consisting of a laboratory and a testing platform;
- Fundraising from institutional investors (Inocap, Efficap and Auris) in the amount of approximately €2.5 million;
- Industrialisation of the first SOFHYS industrial testing units (effluent treatment line implementing free radical oxidation techniques combined with hydrodynamic functions);
- Award of a first innovation grant of €50,000 from OSEO.

2009

- June: new fundraising from founders, "friends and family" for more than €1 million.
- Second patent filed for the treatment of industrial effluents (SOFHYS technology);
- Signature of a first industrial contract for the treatment of complex effluents (SOFHYS technology) with a major petrochemical industrial group;

- Awarded the title "Innovative company" by OSEO, making it eligible for investments by innovation-focused mutual funds (*Fonds Communs de Placement dans l'Innovation* - FCPI).

2010

- Award of a second OSEO innovation grant for €400,000;
- Signature of a second industrial contract for the treatment of complex effluents (SOFHYS technology) with a major chemical industrial group;
- Two patents filed for SLG (sludge dewatering and depollution technique);
- SOFHYS patent obtained for Europe.

2011

- Fundraising of approximately €8 million from new investors (funds managed by Climate Change Capital and Oraxys);
- Conclusion of first service agreement for the treatment of industrial effluents using the "SOFHYS" mobile unit;
- First conclusive pilot tests for the treatment of sludge using SLG.

2012

- Conclusion of first service agreement for the treatment of organic industrial sludge using the mobile SG unit;
- A large number of successful testing campaigns using SLG on different types of industrial and municipal sludge;
- Management team strengthened with the appointment of a Process Director and a Development Director for SLG and "Oil & Gas" solutions;
- Third patent filed for SLG;
- Commissioning of the permanent SOFHYS unit sold to a major chemical group.

2013

- January: bond issue in the amount of approximately €2,148,000.00 subscribed by funds managed by Climate Change Capital;
- Commissioning of the permanent SOFHYS unit sold to a major petrochemical group;
- SOFHYS patent obtained for the USA;
- Market launch of the new generation of containerised, automated and secure mobile SOFHYS units;

- Market launch of SLG organic sludge dewatering and depollution equipment;
- Title "Innovative company" confirmed by OSEO.

Since the Company's creation it has raised a total of approximately €16 million in capital and has obtained approximately €10 million of government aid (young innovative enterprise grants and research tax credits), subsidies, advances (OSEO) and debt financing.

5.2 INVESTMENTS

5.2.1 Main investments since 1 January 2011

The Company's main investments over the financial years ended 31 December 2011 and 31 December 2012 can be broken down as follows:

Investments (IFRS, in €)		2011 financial year 12 months	2012 financial year 12 months
Intangible assets		2,805,057	2,664,730
Tangible fixed assets		1,727,570	894,279
Non-current financial assets		1,960	14,344
TOTAL	8,107,940	4,534,587	3,573,353

Investments in intangible assets corresponding to patents totalled €31,408 in 2011 and €31,637 in 2012. The remainder of investments in intangible assets corresponded to capitalised research and development expenses.

Investments in tangible fixed assets included (i) €334,408 in 2011 and €417,304 in 2012 for SOFHYS and SLG mobile units, (ii) €373,135 in 2011 and €263,639 in 2012 for electrodes, and (iii) €46,898 in 2011 and €24,685 in 2012 for lab equipment and small items for the testing platform.

5.2.2 Main current or planned investments since 1 January 2013

The main investments in the first quarter of the 2013 financial year were:

- (i) Intangible assets (primarily related to research and development programmes) amounting to €1,113,900;
- (ii) Tangible fixed assets (primarily related to the development of the SLG unit and the containerised SOFHYS unit) amounting to €122,610.

No other significant investments have been made since 1 January 2013, and the issuer does not currently plan to make any significant investments in the future for which its governing and management bodies have already entered into firm commitments.

6. OVERVIEW OF BUSINESS ACTIVITIES

6.1 COMPANY PRESENTATION

The main technical terms marked with an asterisk () herein below appear in the glossary attached at the end of the present registration document.*

6.1.1 History

Created by 3 founding partners, Pascal Gendrot, Patrice Capeau and Michel Lopez (see presentation below), Orège specialises in the design, development, industrialisation and marketing of innovative solutions for the treatment of effluent and sludge.

Pascal Gendrot, Chairman of the Board of Directors, is an EM Lyon graduate (Business School of Lyon). He has over 25 years of experience in multi-field consulting, financing and management of innovative SMEs' development, in particular in the environmental field, including 7 years of international experience, notably in the UK and USA.

Patrice Capeau, Scientific Director, is a graduate of the Mines de Nancy School of Engineering. He has 22 years of professional experience in engineering applied to water business; he is the manager of the *Research & Development* Division of Orège and plays a key role in the development of the Company's leading edge tools.

Michel Lopez holds a Master's Degree in water treatment and is a pioneer in the field of water treatment. He has 30 years of experience in the management of wastewater treatment plants within the Véolia group (OTV) of DECADES (Marseilles Eco Serv.) and Egretier. Michel is involved in the development of Orège's SLG Technology and adds his expertise to numerous projects.

6.1.2 General presentation

Orège designs, develops, industrializes and markets solutions for public authorities and industrial companies conceived to best meet new regulatory and environmental requirements and reduce the cost of effluent and sludge treatment.

To this end, Orège relies on two highly innovative, patented, new cutting edge technologies:

- (i) **SOFHYS**, a technology used for the treatment of complex toxic or non-biodegradable industrial effluent; and
- (ii) **SLG**, a conditioning and pre-treatment solution for the dewatering of municipal and industrial sludge.

From its creation to the year 2009, Orège focused its activity on the design and development of these two key technologies.

Starting in 2010, Orège entered the industrial development phase for both technologies.

Since 2012, Orège is now dedicated to equipment supply and on-site installation with its first customer sites, as well as commercial roll-out both in France and worldwide.

One person or two is assigned to field operation, on each customer site exploited by Orège. In addition, a third person is in charge of the day-to-day project management.

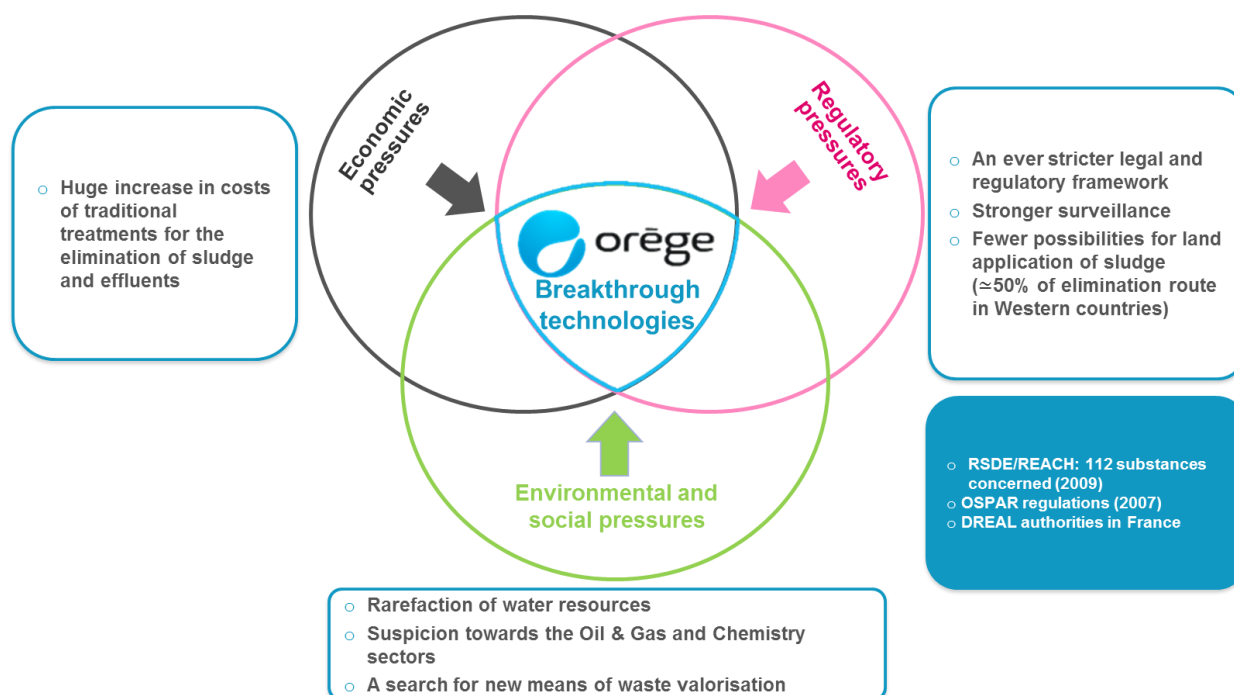
The revenue generated by the main two customer contracts represents more than 90% of the overall Company's revenue for the year ended December 31, 2012.

Orège can mobilise a very wide range of scientific and technical skills:

- (i) expertise in the specific areas of chemistry, in particular electrochemistry;
- (ii) expert knowledge based on experience in complex industrial effluent treatment; and
- (iii) all aspects of oil drilling, oil production and petrochemical engineering.

Orège positions itself at the center of a fast changing environment marked by (i) increase in global water scarcity, (ii) regulatory pressures (prohibition of illegal and non-compliant discharge), and (iii) economic pressures on manufacturers and local authorities.

One of the major challenges facing industrial companies and local authorities today is the effective integration of economic and ecological values, whether they are imposed by increasingly stringent regulations, made on the basis of economic criteria, or the result of a conscious choice. Orège thereby provides new solutions where conventional treatments for wastewater and sludge are inefficient, overly expensive or of limited capacity.



GWl: Global Water Intelligence ;

REACH: Registration, Evaluation and Authorization of Chemicals

AOP: Advanced Oxidation Processes ;

DREAL: French Regional Department for Environment, Planning and Housing

RSDE: Discharge of Dangerous Substances in Water ;

OSPAR: Protection of the Marine Environment of the North East Atlantic

As global player in the effluent treatment industry, Orège provides its customers with a comprehensive support, from process development (physico-chemical analyses, custom treatments, pilot tests) and industrial design and supply of turnkey systems, to facility's operation and maintenance.

The Company mainly targets the following sectors:

- (i) the Oil&Gas sector: water and sludge drilling, washing waters and tank cleaning effluent, spent caustics, tertiary treatment of refinery effluent, ...;
- (ii) petrochemicals: effluent from distillation processes, effluent with high concentration of sulphur compounds, organic and mineral sludge, ...;
- (iii) chemicals: process water, reactor cleaning water, toxic components, organic and mineral sludge, ...;
- (iv) municipalities: sludge from drinking water treatment and from wastewater treatment facilities, ...; and
- (v) food and beverage: treatment of primary sludge and WWTPs *.

6.2. OREGÉ ORGANISATION

6.2.1. Organisational chart and organisation

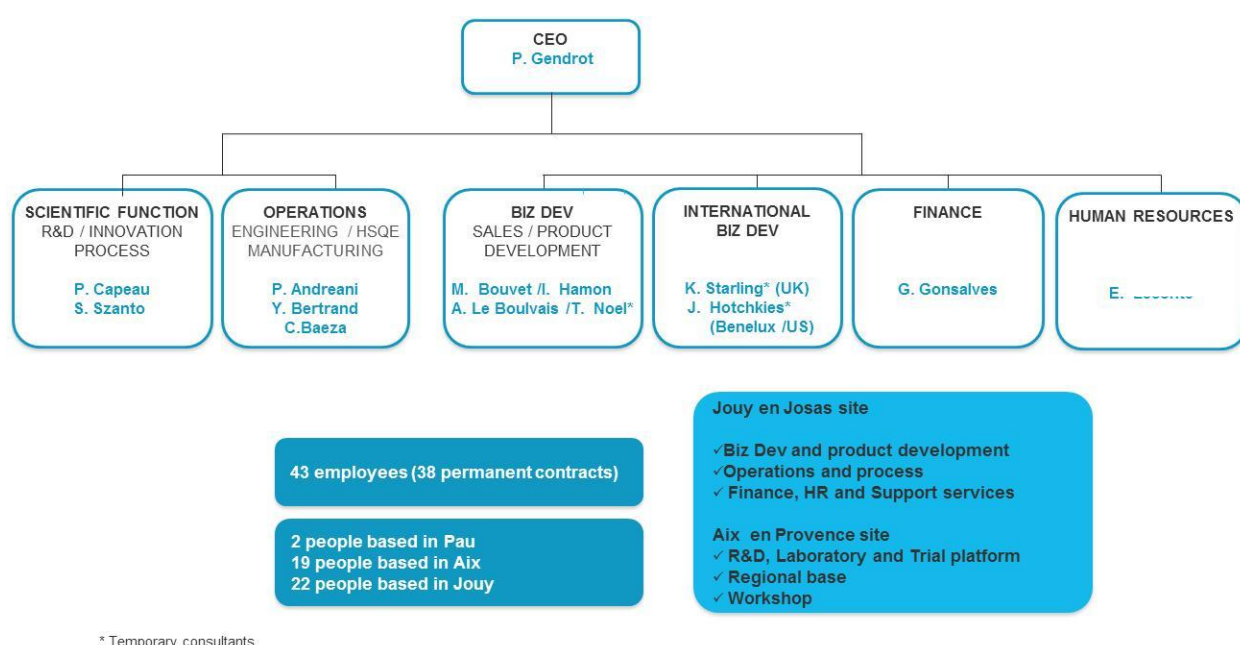
Orège has developed its organizational system in view of meeting its customers' needs best (organization oriented to a project development method) and ensuring its own long term development.

Orège currently has more than forty employees most of whom are under permanent contracts. They have multi-disciplinary backgrounds and expertise developed within the various sectors targeted by Orège or with leader groups specialized in wastewater treatment.

Orège's employees also include field teams composed of technicians trained by Orège for the purpose of operating the technologies developed by the Company.

In addition, Orège calls on high level partner consultants in various fields (e.g., marketing, legal) in particular for international contracts.

Orège's organizational chart is described below:



The members of the Company's Senior Management Team are exceptionally experienced.

Stéfan SZANTO has an experience of more than 30 years especially in developing and implementing chemical engineering solutions. He was the international expert on Chemical Engineering projects for Véolia Water for 10 years. Stéfan Szanto joined Orège as chemical engineer in spring 2012 in order to take charge of Process Management and Commissioning for EPC contracts, as well as complex Chemical Engineering projects.

Michel BOUVET is a Chemical Engineer and Director of development of the SLG and the Oil&Gas Solutions since the beginning of 2013. Orège benefits from his 30 years of expertise in effluent and sludge treatment (Oil&Gas) acquired at GE Water and then Veolia WSTI where he held extensive responsibilities for International Business Development and Solutions Development, especially in the UK and Northern Europe.

Inès HAMON has a PhD in Materials Chemistry (catalysis of petroleum products). She is an engineering graduate of the Strasbourg School of Chemistry, Polymers and Materials. Inès Hamon worked as a Project Engineer for over 7 years with Saft, and then as Project Manager with Uniross for 3 years. Over the past 4 years, Inès brought Orège her excellent management skills in coordinating complex technical projects and business development.

Armelle LE BOULVAIS is an Engineering graduate of the Paris-Grignon Institut National Agronomique and Ecole Nationale Supérieure Agronomique de Rennes (the ANSA). Armelle began her career in Quality Assurance and R&D with Grands Moulins de Paris for 4 years, before holding the position of R&D Laboratory and Projects Manager at Bouygues for a further 4 years, working on assignments for SAUR. She then managed a Business Unit with the English group Premier Foods for 9 years before joining Orège. Armelle Le Boulvais is in charge of the Food & Beverage Projects and Business Development. She is an expert in Sludge related projects.

Philippe ANDRÉANI is a graduate of Ecole Centrale Paris. He worked for 19 years with the Air Liquide Group in France, Canada and the US. He began his career in engineering and then evolved towards industrial Operations. He subsequently held Industrial Management and General Management positions. Prior to joining OREGÉ at the start of 2013 as Chief Operating Officer, he managed Air Liquide's Corporate Venture team.

George GONSALVES is a Chartered Accountant (England & Wales). With a BSc in Chemistry. British born George Gonsalves began his career with BDO Binder Hamlyn in London in 1996. He then moved to Paris where he performed Acquisition Auditing missions and advised SMEs/SMIs on fund-raising for 6 years. He subsequently joined the Game group (video games) as Financial Director for 7 years.

Eve LECONTE holds a Master 1 in Human Resources, and has held various HR positions. Formerly HR Assistant with UPS, she became Human Resources Manager at MAKHTESHIM AGAN, an Israeli Company in the chemical/distribution sector in 2007. Eve joined Orège at the beginning of 2013.

Yoann BERTRAND gained his Engineering qualification specialising in Automated Systems and Production Engineering in 2003. He then began his career as Project Management Consultant for COGIX, a subsidiary of the Altran Group. In 2008 he was appointed Operations Manager at Lesieur, part of the Soprol Group. He joined Orège in 2009 as Technical Projects Manager prior to being appointed Operations Manager for the southern division in November 2012.

Caroline BAEZA a graduate of the Ecole Nationale Supérieure de Chimie in 1997, worked firstly for the BP Group where she held various positions in Research and Logistics Engineering. From 2001 to 2005 Caroline was a Project Manager with ABB Process Industries. In 2007 she was appointed Operations Engineer at Arcelor Mittal. She joined Orège in 2010 as Director of Health, Safety & Environment.

Orège's current organizational structure is designed in such a way as to facilitate project development. This method gives prominence to a vertical form of organization so that Orège can meet its customers' needs promptly and efficiently, whatever the area of competence.

6.2.2 Location and roles of Orège sites

Historically Orège is located on two sites: one at Aix-en-Provence and the other at Jouy-en-Josas.

Aix-en-Provence facility

With a surface area of 700 m², the Aix-en-Provence site accommodates around half of Orège's workforce and comprises:



- (i) **a regional base** providing commercial, technical and logistic support for Orège teams. The PACA region (Provence-Alpes-Côte d'Azur) is traditionally oriented towards Oil&Gas industries, a highly promising sector for the two technologies developed by Orège, which signed its very first contracts there;
- (ii) **a research & development centre**: the centre works on continually improving Orège technologies, developing new applications and filing new patents;
- (iii) **a laboratory capable** of performing all current standard effluent analyses (COD*, BOD, SS, DS, basic analyses) but also more sophisticated chemical analyses such as Liquid Chromatography and Ion Chromatography.
This laboratory is just as important in the design phase as in the launch phase of Orège industrial units. It ensures excellent responsiveness on the part of Orège thanks to instant receipt of analysis results;
- (iv) **a test platform** with different pilots for each of Orège technologies for simulations prior to deployment on customer sites and including an electrode test bench, a mini-SOFHYS and a mini SLG; and
- (v) **a workshop** where teams manufacture and rework the pilots and remain permanently available to assist with installation of treatment lines on customer sites. They are also involved in on-site maintenance of our equipment



Electrodes test bench

Jouy-en-Josas facility

The Jouy-en-Josas site, Orège's Head Office, accommodates the other half of our workforce. The following functions are located there:

- (i) general management, administrative and financial management;
- (ii) human resources;
- (iii) business development / project management; and
- (iv) industrial development of the SOFHYS and SLG tools.



Located in the Paris region, the Jouy-en-Josas site offers in an ideal location for the Company facilitating meeting with several of its customers, decision makers and other partners often located in the nearby area.

This location also facilitates international prospecting, especially in Northern Europe and the UK.

6.2.3 Orège Research & Development activities

Orège's expertise is based on two breakthrough technologies:

- (i) **SOFHYS:** SOFHYS technology combines an advanced oxidation process (free radical and ionic oxidation using boron doped diamond electrodes) with hydrodynamic functions (phase separation by coagulation/flocculation, air flotation, etc.). This innovative tool enables treatment of complex mixtures, particularly in saline media, with high levels of dissolved COD* and enables the breaking up of hard COD*; and
- (ii) **SLG (Solid, Liquid, Gas):** is a conditioning and pretreatment/treatment system enabling separation of the physical solid, liquid and gas phases of sludge in particular by breaking up the colloids present in the sludge. It very significantly increases the effectiveness of downstream dewatering treatments.

Orège's technology platform engages in numerous development programmes. Their purpose is to improve our technologies or adapt them to our individual customers' requirements, and also to develop other technologies that Orège can patent.

The following studies may be quoted as examples:

- (i) the design of new electrodes to increase contact time between the electrode surface and effluent and improve the hydraulics in the electrodes housing
- (ii) improving the mechanical strength and lifetime of the diamond coating on the electrodes
- (iii) pre-treatment or post-treatment pilot tests on certain molecules for use in addition to SOFHYS (for example, stripping towers)
- (iv) deployment of a separation system at the SLG outlet using the flotation properties of sludge.

The Company's technological leadership has been recognised on numerous occasions by the French Ministry of Research and by OSEO (French innovation support and funding agency).

There follows a brief summary:

- **2005:** awarded as "*Young Innovative Company*" for the SOFHYS technology.
- **2008:** granted funding of EUR 50,000 for innovation feasibility (AFI) with respect to the SLG project.
- **2009:** awarded with the Innovative Company label - FCPI, reserved for companies having created products, process, techniques or services which innovative character and potential for economic development is recognized.

- **2009:** granted funding of EUR 400,000 for Innovation Development (ADI) in respect of the SOFHYS project, recognized as a technological leap, a breakthrough innovation and a radical diversification.
- **2012:** expert report by OSEO confirming the exceptionally innovative character of the two technologies and solutions developed, as well as Orège's capacity to deploy industrial tools.
- **2013:** renewal of the “*Innovative Company*” label awarded by OSEO and further financial award given by OSEO in the form of repayable advance, with a maturity of three years, of a total amount of EUR 560,000 (broken into a first part of EUR 400,000 and a second payment of EUR 160,000).

The Company has filed a number of patents to protect these inventions (see 11.2 in this base document for further details).

6.2.4 Orège's Operations & Processes Department activities

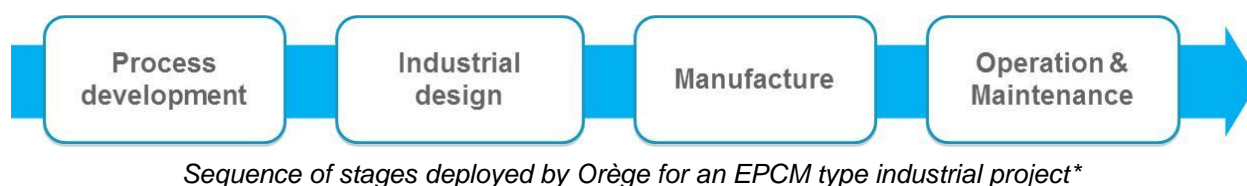
Orège's Operations & Processes Department (DOP) incorporates a number of activities:

- (i) **processes:** it directs the test laboratory in the process research phase in view of reaching a final effluent treatment protocol. It also contributes to the equipment selection at industrial design stage. It then gets the industrial units up and running;
- (ii) **industrial design** from preparation of the first draft functional layout through to the final detailed design for all the equipment required, integrating the design of specific equipment as necessary. Detailed civil engineering drawings are generally subcontracted;
- (iii) **industrialisation** including engineering, construction (subcontracted) and equipment installation through to commissioning of the equipment. Orège fully coordinates this industrialisation phase with the assistance of an Orège Purchasing Manager. Manufacture of the equipment is subcontracted to specialists in the relevant fields (sheet metal, E&I) according to precise specifications. Installation of the equipment and automated systems is also carried out by subcontractors and continuously monitored by Orège; and
- (iv) **Health, Safety & Environment primarily safety-oriented:** Orège intervenes on many sites classified as “upper tier” under the SEVESO Directive. For the safety of our employees and so that our customers can be assured of our strict compliance with their safety and security requirements, Orège has set up and obtained full MASE Certification (safety management standard for companies using chemicals in their processes) in 2011 and renewed in 2012. Orège also ensures that all its employees receive training in GIES (chemical risk) and ATEX (explosion risk). This safety-oriented approach is at the core of all our activities (laboratory, test platforms, site trials and construction sites).

- (v) **operation and maintenance** of equipment appropriate to customers' requirements. Facilities may be operated by customers' own employees or by Orège staff in France.

It is not at present part of Orège's strategy to develop its activity in operation field. However, upon customer request, Orège employees will perform such tasks allowing gathering feedback on experience leading to the improvement of Orège's tools and possibly the filing of new patents.

The Operations & Processes Department therefore contributes very significantly to the various stages of an industrial project, as illustrated in the following diagram:



6.2.5 Projects & Business Development activities

Orège provides its industrial and municipal customers with solutions in areas where conventional effluent or sludge treatment techniques have not brought satisfactory solutions, or where static performances can be improved.

For optimal responsiveness to these often highly complex requirements, Orège has opted for a project-based approach in its organization. The Project Manager is the person responsible for managing the entire process culminating in delivery of a satisfactory solution to the customer.

The Projects Department is also responsible for Orège's business development. This new mission was started in 2012, logically following Orège's first two development phases.

In view of fulfilling such mission and strengthening Orège's team, the Company also draws on external skills, in particular for market surveys and commercial targeting in France and abroad.

Orège uses the services of Amance Water created and directed by Mr Thierry Noël, as well as various other consultants with in-depth knowledge of their domestic markets and who provide Orège with useful sales contacts.

Payment for market surveys is charged on a fixed price basis whereas sales support contracts are charged based on a fixed monthly amount plus a success-based fee.

Details of the main consultants working with Orège at the time this base document was created and a summary of their professional careers are given below:

Thierry NOEL holds an Engineering Degree from the Paris-Grignon Institut National Agronomique and is a graduate of the London Business School (MBA). Thierry Noel has extensive experience in the water treatment area. Prior to founding the Amane Water consultancy firm, he was head of Strategic Development at Suez Environnement Europe.

Kevin STARLING holds a Master's Degree in Service Management from the University of Buckingham. Kevin has held positions in a number of UK companies specializing in water treatment. Before becoming a consultant he was responsible for Customer Services at Anglian Water, became Managing Director Europe with United Utilities and Managing Director of Agbar Environment. Kevin advises Orège on development of its UK business operations.

James HOTCHKIES has over 25 years' experience in water treatment. James holds various positions with Pyxis Systems Group Inc., Zenon Environmental Inc. and General Electric. He embarked on consultancy work in 2008 and provides his expert services to a number of water industry groups and green tech companies including The Pictet Water Fund, Toray Industries and Trillium Fiber Technologies. He advises OREGÉ on the development of its commercial activities on the USA/Canada and Benelux.

Joe ZUBACK acts as an advisor with startups specialized in the water treatment industry. Joe has close to 30 years of experience in industrial wastewater treatment. Former *Chief Technical Officer* with Siemens Water and founder member of US Filter, Orège benefits from his in-depth knowledge of upstream and downstream Oil&Gas sectors and municipal operations.

6.3 THE SOFHYS PROCESS

6.3.1. General presentation of the SOFHYS process

6.3.1.1. Background

Pollutants are mainly man-made products which give them specific properties with respect to durability and resistance. Man, through science, have devised and manufactured assemblies of such complexity and stability that they are extremely difficult to manage at the end of their service life.

The main existing effluent treatment techniques are presented below:

Treatment	Existing techniques	Functions
Screening / fine screening	Filtration using screens or rotary mesh systems	Liquid / solid separation SS
Degritting	E.g: hydrocyclone, grit chamber, aerated oil separator	Liquid / solid separation SS
Sludge removal	Settling tank, clarifier, desludger	Liquid / solid separation SS
Degreasing / De-oiling	Natural flotation, grit chamber / aerated oil separator	Liquid / solid separation COD
Settling	Static settling tank, lamellar settler, rectangular settling tank, sludge bed settling, ballasted settling, etc.	Liquid / solid separation SS
Flotation	Circular or rectangular flotation, natural or assisted flotation	Liquid / solid and liquid/ liquid separation, SS, COD
Fine filtration	Microfiltration, ultrafiltration, nanofiltration, reverse osmosis, resin	Macromolecular separation, ions, COD
Oxidation	Chlorine, H ₂ O ₂ , ozone, use of reagents or electrolysis (Fenton type)	Molecular breakdown, disinfection, COD, BOD ₅
Coagulation	E.g: electrocoagulation	Liquid / liquid separation COD
Activated sludge	Plug flow tank, integral mixing tank, cascade tank, step-feed tank	Biological oxidation (CO ₂), aerobic nitrification and anoxic denitrification, pollution conversion to biological sludge

These treatments are put in place to enable discharge of treated water to the natural environment and so avoid landfill disposal, underground injection and incineration.

However, industrial effluents remain for which conventional processes do not work or else work unsatisfactorily. For this type of waste, Orège offers its SOFHYS technology, used in most cases as a replacement for incineration techniques which are more costly and less environmentally friendly.

In this context, Orège research has therefore focused especially on Advanced Oxidation Processes.

Advanced Oxidation Processes (AOPs)

Advanced oxidation processes (ozonation, UV, chemical oxidants, Fenton process) and among them electrochemical processes, are nowadays presented as solutions for meeting the increasingly stringent pollution control requirements (components refractory to biological treatment, micropollutants).

This has been a high growth market for about the past ten years with an annual growth rate of over 30%⁷.

In terms of electrochemical processes, anodic oxidation is a promising route and research into this process has been conducted since the late 1970s.

There have been feasibility studies for this treatment with various electrode materials.

⁷Source: GWI.

The first studies on the use of diamond in electrochemical applications were in the 1980s. In 1995 Kodak filed a patent application on the use of diamond electrodes for the destruction of organic effluent pollutants by electrochemical means.

Anodic oxidation is nevertheless very little developed at the industrial level today. The main reasons for this delay in development are as follows:

- (i) the need for improved understanding of oxidation mechanisms and resulting chain reactions irrespective of which pollutants are present;
- (ii) the need for innovative solutions that will improve oxidation performance; and
- (iii) the need to guarantee the lifetime of electrodes and their "maintenance"

Boron-doped diamond anodic oxidation treatment - performance

A process for treatment of industrial effluent has been developed using anodic oxidation. The objective is to make optimal use of the capacities of electrodes so that as much energy as possible is provided to break down the targeted pollutants.

However, since hydroxyl radicals are highly reactive (extremely powerful oxidizing agents second only to fluorine), they attack all the oxidisable constituents indiscriminately.

This reactivity leads to concomitant reactions other than those of pollutant breakdown, and these are considered parasitic when they are not the objective of the treatment. Consequently they lead to a drop in energy efficiency and can also lead to the creation of undesirable constituents.

Beyond kinetic considerations, the performance of an anodic oxidation treatment process (performance in terms of pollution control, energy efficiency and economic performance) is determined by a combination of a number of factors influencing the effectiveness of direct oxidation and/or indirect oxidation.

The main factors are the voltage and current density applied to the electrodes, the conductivity of the effluent, the nature of the electrode and the hydrodynamic conditions.

These factors interact in a complex way and are adjusted during the pre-tests for each SOFHYS application.

Industrial development requires development of electrodes with satisfactory robustness and lifetimes, at reasonable costs. State controlled by charge transfer conditions is now well understood and generally accessible. Whereas state controlled by mass transfer conditions are more complex.

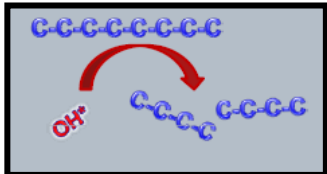
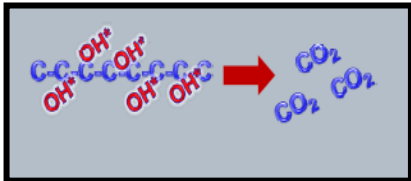
A major avenue for optimizing the kinetics of this system is hydrodynamics and consequent work on the geometry of reactors.

6.3.1.2. Principle and functioning of SOFHYS

SOFHYS is an effluent treatment technology essentially based on combining an Advanced Oxidation Process (AOP) with hydrodynamic functions which vary depending according to the zones of the reactor:

- (i) the Advanced Oxidation Process (AOP) is based on catalytic electrolysis of water producing hydroxyl radicals OH^\bullet which provoke a breaking up effect of the pollutant molecules
- (ii) the hydrodynamic functions are based on specific retention times and separations of liquid/colloid and liquid/particle phases

The way in which hydroxyl radicals OH^\bullet act is summarized in this diagram:

Action of hydroxyl radicals OH^\bullet on organic matter in the SOFHYS reactor	
	
Breaking up of long organic chain molecules into easily biodegradable small chains	Breaking up of organic molecules producing CO_2

OH^\bullet are oxidants well documented over a number of decades and present the specific strength of being the most effective oxidising agents obtainable.

The following table gives the oxidation potentials of the most commonly known oxidants.

Reaction	Oxidation potential (Volts)
$\text{OH}^\bullet + \text{H}^+ + \text{e}^- = \text{H}_2\text{O}$	2.80
$\text{O}_3 + 2\text{H}^+ + 2\text{e}^- = \text{H}_2\text{O} + \text{O}_2$	2.07
$\text{H}_2\text{O}_2 + 2\text{H}^+ + 2\text{e}^- = 2\text{H}_2\text{O}$	1.77
$\text{MnO}_4^- + 8\text{H}^+ + 5\text{e}^- = \text{Mn}^{2+} + 4\text{H}_2\text{O}$	1.52
$\text{ClO}_2 + \text{e}^- = \text{Cl}^- + \text{O}_2$	1.50
$\text{Cl}_2 + 2\text{e}^- = 2\text{Cl}^-$	1.36

OH^\bullet are generated on the surface of the electrodes in a layer a few μm^* thick. It is therefore important to induce mass transfer on contact with the anodes and to have a flow that is as turbulent as possible through these.

The electrodes used comprise a niobium core with a boron doped diamond coating.

Orège has developed electrolytic modules to optimise mass transfer and the dispersion effect on contact with the electrodes.



Industrial electrodes installed on a SOFHYS treatment unit (chemical industry)

The SOFHYS reactor is composed of compartments with distinct but complementary functions:

- (i) the "SOF" function is a liquid/solid phase separation function; and
- (ii) the "HYS" function involves free radical oxidation and separation of matter formed during oxidation.

Application of the treatment involves alternating SOF and HYS phases (see Figure 1):

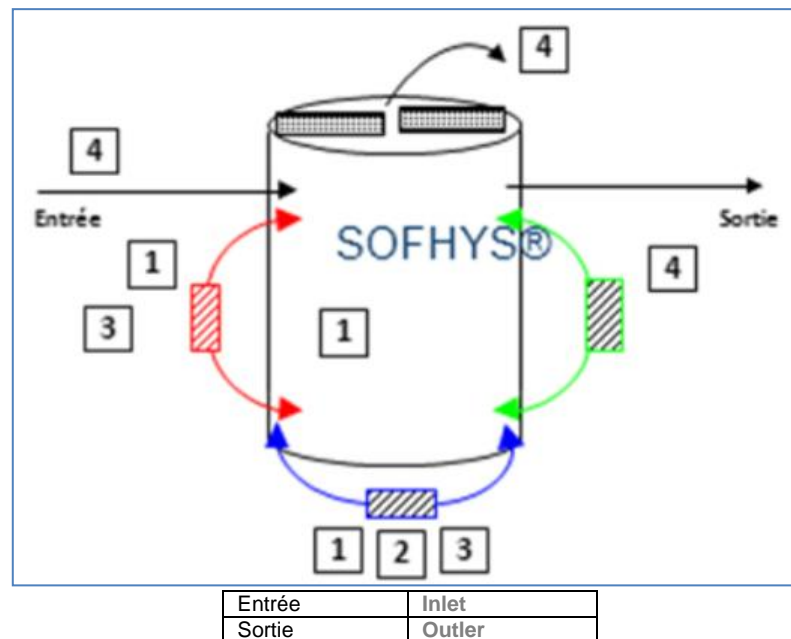


Figure 1: diagram illustrating the SOFHYS principle

1: hydrodynamic function/turbulent flows/contact surfaces, 2: bubbling and oxidation function - HYS-function, 3: radical breaking up function - HYS-function, 4: solid/liquid and colloids/liquid phase separation function - SOF-function

SOFHYS is a specific tool combining a number of functionalities designed to optimise effluent treatment:

- (i) **oxidation of pollutants dissolved in effluent:** association of free radical and ionic oxidation with additional use of reagents for increased effectiveness of the pollutant breakdown reaction;
- (ii) **physical separation of phases:** suspended solids / effluent and/or colloids / liquid effluent;
- (iii) **flotation system:** this system enables injection of slightly compressed air into the SOFHYS compartments. The bubbles formed work firstly to strip the small volatile molecules and also to separate the phases (solids, oily) of the aqueous effluent thanks to the surfactant properties of the bubble surface;
- (iv) **instant and continuous extraction of matter formed during oxidation:** in particular suspended solids that may be organic or mineral. The objective is to limit formation of solid matter competing with the subnatant liquid, since solid matter produced significantly reduces the oxidation kinetics of the dissolved pollutants in the liquid phase. This separation can be performed by means of pumping or scraping. Extraction takes place in a turbulent environment providing very good contact between effluent pollutants, reagents and the active material of the oxidation electrodes;
- (v) **specific hydrodynamic functionalities** inside and outside the reactor: as mentioned previously, the separation phase is markedly improved and virtually instantaneous; and

- (vi) **modular system** to which specific functions can be added or removed: catalysis module, flotation module, etc.

6.3.2. Unique character of the Orège technology

SOFHYS is a unique technology for the treatment of complex and/or toxic organic effluent with high levels of dissolved and/or non-biodegradable pollutants:

- (i) SOFHYS is unique in its design:
 - (a) simultaneous use of turbulent flows during matter extraction;
 - (b) continuous flow for optimal treatment efficiency and relatively small unit size;
 - (c) possible use of high input flow rates;
 - (d) low energy consumption since free radical oxidation is a chain reaction; and
 - (e) low reagent consumption: the reactions in question are never stoichiometric.
- (ii) SOFHYS is unique due to the spectacular results obtained:
 - (a) **reduced COD* levels:** SOFHYS units are capable of treating effluents with very high concentrations of dissolved pollutants (up to more than 300 g/l COD*) and offer 99% efficiency;
 - (b) **biodegradability attained:** long carbon chain molecules are often toxic to the environment. SOFHYS technology breaks up these long chains into small molecules that are easily biodegradable or mineralised into CO₂;
 - (c) **Saline media:** unlike biological treatment processes, SOFHYS can break down organic pollutants in saline media;
 - (d) **all pollutant types** can be broken down by SOFHYS: even the hardest to treat such as aromatic compounds, solvents, alcohols, mercaptans and thiols;
 - (e) **complex and variable pollution:** this technology makes it possible to treat any complex and variable mixture of pollutants;
 - (f) **refractory and persistent COD*:** SOFHYS makes it possible to achieve very low pollutant concentrations compatible with the requirements of Regulations on Priority Substances under the Water Framework Directive;
 - (g) **spectacular treatment performances** due to free radical oxidation combined with extraction of formed matter;
 - (h) possible discharge of treated water into a biological WWTP* or back into the natural environment; and
 - (i) possibilities for water recovery after treatment (for washing, watering, etc.).

6.3.3. Regulatory context

Legislation on industrial water and sludge in France and Europe is not recent (the first laws and regulations came into force before 1980) and has been continually evolving. For a long time the legislation was often not properly followed, leading to a greater mobilization and vigilance on the part of the authorities concerned.

6.3.3.1. European Regulations

Today there are numerous directives relative to industrial water and industrial waste. Under the applicable European Regulations, industrial waste and effluent management implies compliance with the following four major principles:

- (i) **the principle of prevention:** production of waste and effluent must be avoided as far as possible and minimised;
- (ii) **the precautionary principle:** potential problems must be anticipated as far as possible;
- (iii) **the principle of proximity:** waste and effluent management and treatment must take place as close as possible to the site on which it was produced: and
- (iv) **the 'polluter pays' principle:** those who produce waste and pollute the environment must bear the cost of these acts. Companies and industries cannot shirk their responsibilities and must manage and treat the waste and effluent they produce. This principle derived from a 2004 European Directive has been transposed into French Law (April 2007).

Since the early 2000s, two elements have favored the industrial water and waste treatment sector:

- (i) a trend toward treatment development; and
- (ii) since 2006, Member States have had an obligation to require companies on their territory to dispose of or manage their waste. Companies must also bear the financial costs associated with this disposal or management.

6.3.3.2. French Regulations

French pollution legislation made significant advances on adoption of the Environment Code which incorporates all laws relative to the environment. Section V of the Environment Code on pollution and risk prevention contains the rulings on waste and hence industrial effluent.

In the case of local authorities, in order to comply with European Directives, in 1992 France defined two main objectives:

- (i) establishment of wastewater treatment plants over the entire French territory, in particular in areas with over 15,000 equivalent inhabitants termed "*sensitive*" areas, before 31 December 2005; and
- (ii) a pollution control rate of 65%.

Today, **these two objectives have still not been achieved.**

As regards companies, French law, as a transposition of European law, defines the Company's responsibility at all stages of internal and external waste management.

The Company is responsible for waste from its production through to the final stage of disposal, treatment or landfill, and therefore it remains obligated even after waste has been taken charge of by a disposal contractor.

Companies and their representatives can also be sentenced up to two years' imprisonment and ordered to pay a EUR 75,000 fine for serious breaches of the Environment Code, namely:

- (i) abandoning, depositing or having deposited nuisance waste under conditions contrary to applicable waste regulations;
- (ii) refusing to provide the administrative authorities with required information;
- (iii) handing over or having handled over waste to an operator other than the approved operator for a facility when legislation requires this;
- (iv) engaging in transportation, brokerage or negotiations for waste under conditions contrary to regulations

The legislation also granted police powers to **DREAL** (Direction Régionale de l'Environnement, de l'Aménagement et du Logement (regional department for environment, planning and housing)) for the purposes of penalising breaches through formal notices and minor offence handling possibly to legal proceedings.

6.3.3.3. Control of Dangerous Substances in Water: RSDE

Adoption of European Directive 2000/60/EC of 23 October 2000 (OJEU 22 December 2000) establishing a framework for EU action in the field of water policy, lists and strengthens EU orientations relative to the good condition of aquatic ecosystems.

In particular, Article 16 of this Directive aims to strengthen protection of the aquatic environment through specific measures designed to progressively reduce discharge, emission or loss of priority substances, and the cessation or gradual phasing out of discharge, emission or loss of priority hazardous substances in water.

Stringent reduction or suppression objectives for these hazardous substances were fixed for industrial

companies for ultimate attainment by 2015 and/or 2020.

Prior to this, a measure meant to control and reduce discharge of hazardous substances (106 substances) in water by classified installations was launched in each region in 2002 within the framework of a national operation resulting from an Environment Ministry circular dated 4 February 2002. Following analysis of data collected during this operation, the Risk Prevention Department of MEEDDAT (French Ministry for ecology, energy and sustainable development) decided to instigate a further measure for control and, if appropriate, reduction, targeting a list of substances by sector of activity for classified installations requiring permits on all French territory.

The circular of 5 January 2009 set the framework for this new operation with technical support from INERIS (French National Institute for Industrial Environment and Risks). These controls were to apply to 112 so called priority substances (which means that they are commonly encountered and dangerous and are therefore the first to be controlled).

New lists are regularly proposed to supplement the initial ones; they target pharmaceutical products in particular whereas the first lists targeted mainly chemical products (hydrocarbons, pesticides, etc.) and heavy metals.

For each hazardous substance listed, and for the first time, the legislation defined relevant Environmental Quality Standards (NQE in French). Depending on the environment in which the waste from classified installations is discharged, DREALS can, if appropriate, decide to tolerate certain instances of exceeding these NQEs (a factor of around 10).

On 1st January 2011, the classified installations thus provided the results of a discharge measurement programme on around 41 priority substances (6 months study, one measurement on a sample representative of 24-hour site operation each month for each substance).

Following this measurement programme, the DREALS identified the priority substances for which each classified site should proceed with quantification.

Between now and 1st July 2013, the sites concerned must provide an economic and technical study based on BAT (*Best Available Technology*) with the following objective:

- (i) reduction of priority hazardous substances by 2015 and their elimination by 2021; and
- (ii) reduction of all other priority substances by 2015.

By no later than 1st July 2014, the sites must provide a full report on all the controls put in place.

In parallel, since 2010, chemical industries, for all their products, have had to submit the required studies on toxicity to aquatic organisms and the environment, under REACH regulations (*Registration, Evaluation and Authorization of Chemicals*).

REACH regulations, like the Water Framework Directive, are intended to protect human health and the environment through better knowledge of the properties of chemical products.

6.3.3.4. United States

The US, via action taken by the Federal Agency, the Environmental Protection Agency (EPA) is implementing comparable principles through the Clean Water Act (CWA) and Toxic Substance Control Act (TSCA).

This federal legislation imposes limits on specific discharge on each industry but also on each effluent production site by means of the NPDES Permit Regulation: a permit for discharge into the natural environment.

The EPA is thus taking two-fold action:

- (i) setting standards and rules; and
- (ii) granting permits.

Award of the permit is based on the results of biotoxicity tests, effluent characteristics tests and elimination of priority substances, as well as a limit on total discharge (TTO: Total Toxic Organics).

The EPA wants to go further and is working on reform of the Toxic Substances Control Act, the objective being to strengthen regulatory requirements and ensure public transparency and accessibility of information on industrial discharge.

Conclusion

SOFHYS technology could become a key factor with respect to compliance with such various regulations; meaning that Orège can offer its industrial customers treatment lines constituting an answer to these requirements for reduction of hazardous substances (excluding heavy metals).

Such work could also lead to the recognition for SOFHYS as being a BAT (*Best Available Technology*) with respect to certain applications. However, no further steps have been taken by the Company in this respect at the date of the present registration document.

6.3.4. Main areas of development for the SOFHYS solutions

6.3.4.1. Main Research & Development and industrial design programmes

The current version of SOFHYS on offer to our customers produces very desirable results for industrial companies. Nevertheless, Orège intends to continue with the following main Research & Development and industrial design programmes:

Free radical oxidation: to gain more in-depth understanding of the breaking down mechanisms involved in free radical oxidation, Orège seeks to develop partnerships with university laboratories dedicated to analytical characterisation of radical intermediates. In this framework Orège currently operates

collaborative programmes with leading specialists in this field, in particular with the Laboratoire Chimie Provence and a research laboratory belonging to the Université de Technologie de Compiègne.

Booster: the chemistry of volume: electrochemistry is a chemistry of contact. It is associated with a retention time in the reactor. During this required rotation period it is advantageous to introduce chemistry of volume (complementing chemistry of contact) enabling faster reactions, reduced retention times and therefore ultimately the design of more compact devices with even better performance.

Catalyst: complementary modules incorporating catalysts could be used as a finishing treatment to improve kinetics. The purpose of this post-treatment is post-oxidation of residual oxidants present in the reactor. The catalysts being studied are CuO, FeO, Fe²⁺ or magnetite (Fe₃O₄) and could be integrated into the industrial unit in the form of a fluidised bed or filter.

Free radical oxidation: a full programme has been initiated with the objective of optimising the existing hydraulic performances in SOFYHS during treatment. It involves the development of electrode housings which maximise exchanges between the pollutants present in the effluent to be treated and the electrode surfaces where free radical oxidation occurs. Orège has conducted a number of hydraulic flow simulations dependent on the geometry of the electrode housings, and has subsequently determined a number of electrode housing configurations appropriate for non-point-source pollution.

SOFHYS design characteristics: the objectives of this area of study are as follows:

- (i) define optimal geometry and parameters for the reactor: shape and number of electrodes, electrode flow rate, reactor size; and
- (ii) determine the optimal method of extrapolating data from pilot-scale tests (platform or field) to the design characteristics of reactors (batch tests or continuously operated pilot-scale tests).

Work already carried out has enabled us to build a database containing kinetic results on the breakdown of pollutants in different configurations. The data has been incorporated into a kinetic model. It now remains to implement a predictive design model.

Treatment of oxidation gases: CO, CO₂ and Volatile Organic Compounds (VOCs) are by-products of the oxidation reaction. Regulatory limits on emission of these gases are exceptionally stringent. Treatments for these compounds need to be determined.

6.3.4.2. New applications

In parallel with the work carried out under our Research & Development and industrial design programmes, Orège is actively developing new applications, examples of which are listed below.

Elimination of micropollutants: Orège is currently working on continuous optimisation of its SOFHYS technology in order to be able to offer a technological solution appropriate to this type of pollution from very diffuse sources. Orège offers to develop pre- and post-oxidation pollutant adsorption systems on conventional adsorbent media such as activated carbon, zeolites and resins. The focus is on concentration of the pollutant matter and its subsequent oxidation in the SOFHYS reactor.

Free radical reduction: legislation on concentrations of certain micropollutants such as organochlorides is becoming tougher. These molecules, for example chloroform, are not easily degradable using oxidation. Free radical reduction is a solution for breaking down this type of pollutants. It involves arrangement of a system of electrodes so that they can perform both oxidation and reduction phases depending on the treatment cycle.

Spent caustics: this programme relates to the treatment of spent caustics resulting in particular from the washing of refined oil fractions to remove sulphur compounds for possible recovery. There are various types of spent caustics depending mainly on their source and the nature of the crude oil treated. Spent caustics are complex toxic effluents with high concentrations of COD* (between 100 and 300 g/l) and sulphur-containing and phenol compounds. These are among the most difficult effluents to treat as well as the most costly to dispose of, and are generally incinerated. The objective is a possible pre-treatment of the spent caustics to obtain an acceptable quality for entry to the biological wastewater treatment plants on refineries or petrochemical sites. The required quality to be obtained, after SOFYHS treatment, is biodegradable treated water with very low levels of COD* and sulphur-containing and phenol compounds. Very promising results have already been achieved in pilot trials.

6.4. THE SOFYHS SOLUTION

6.4.1. Context: industrial effluent treatment

Industrial activities produce large volumes of polluted water (effluents). Effluents from oil, chemical and pharmaceutical industries in particular contain various molecules often environmentally hazardous such as medicines, detergents, cosmetics, plant health products (pesticides, herbicides), oil and chemical products.

Traditional treatments are not very efficient. Incineration is the last resort treatment but it is extremely expensive, high consuming in energy and has low public acceptance. The outmoded practices of dilution and burial are vanishing and prohibited in an increasing number of countries due to standard compliance requirements.

Advanced oxidation processes, including electrochemical processes such as SOFYHS, are nowadays presented as the answer to these limits of traditional treatments and the possibility to face ever more stringent pollution control limits and requirements.

Industrial effluent treatment is thus becoming a very high growth market and shows a strong upward trend for innovative technologies providing solutions to meet the needs of industrial companies:

- (i) **savings:** costs of treatment and disposal (incineration) have continually increased over the past twenty years and bringing these costs down is a priority for industrial companies. Cost reduction must apply across the board to equipment investment, operating costs, energy costs and the cost of final disposal or recovery;

- (ii) **regulatory aspect:** stricter regulations have been adopted worldwide and there are increasingly stringent requirements on management, treatment and disposal of waste intended to protect the environment and public health;
- (iii) **sustainable development approach by industrial companies:** most industrial companies have adopted proactive policies for reducing their environmental footprint and greenhouse gas emissions. They are also seeking to reduce their water and energy consumption;
- (iv) **environmental risk management by industrial companies:** these companies aim at minimizing their potential environmental risks with respect to their increasing financial risks, in the event of an accident or pollution. Thereby, technologies that will eliminate the toxic character of effluent and help avoiding the need for storage and off-site transportation to waste disposal centers, will be highly promoted;
- (v) **brand image:** investors, clients and employees in the industrial sector are becoming increasingly aware of and responsive to the Corporate Social and Environmental Responsibility policies implemented.

6.4.2. A unique value solution

For the Company, SOFHYS represents a technological breakthrough, able to achieve results never obtained at this stage by existing technologies. The performance obtained offers immediate benefits.

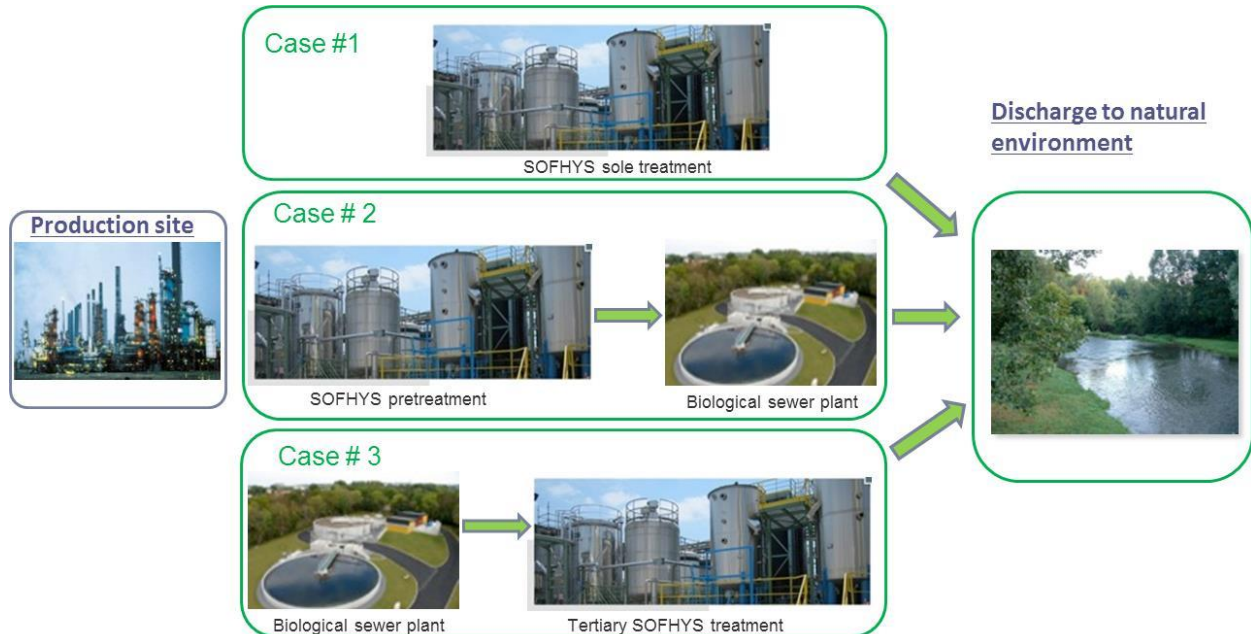
For industrial customers, the unique added value of the SOFHYS solution translates into the following:

- (i) achievement of the treatment performances imposed by legislation;
- (ii) the possibility of discharging water back into the natural environment or re-using it after pollutant treatment;
- (iii) reduced environmental risks;
- (iv) reduced greenhouse gas emissions and environmental footprint;
- (v) small space requirement with compact units;
- (vi) optimized investment and operating costs. The estimated economic benefits given by SOFHYS compared to incineration amount to an improvement of about 50% (taking into account the global cost of investment of the SOPHYS solution amortized over 10 years, and the global yearly cost of operation of this solution, compared to the costs of transportation and yearly waste incineration).

6.4.3. Easy and flexible integration into treatment lines

SOFHYS can be integrated into both new treatment lines and existing lines.

Possible lines integrating SOFHYS are presented in the following diagram:



SOFHYS operates at ambient temperature and atmospheric pressure, unlike other technologies, facilitating insertion into an existing chain.

Depending on the needs of its industrial customers, Orège can propose turnkey solutions with construction of the treatment line on the customer's site, or alternatively a compact mobile solution installed for a time period agreed with the customer.

6.4.4. Case studies - industrial achievements by Orège

6.4.4.1. Treatment of non-biodegradable effluent with very high COD* levels upstream of a biological treatment facility

Background:

Conventional biological wastewater treatment plants (WWTPs, known as 'STEP' in French*) are designed in accordance with the volume of COD* and BOD* and the volume of water to be treated (organic load and hydraulic load). In general they cannot treat COD* loads greater than 10 g/l, unless the flow is extensively diluted with other less concentrated flows.

In addition, to enable correct reduction of COD* values, it is considered that the COD/BOD ratio must be lower than 3 (the effluent must be biodegradable).

When COD* is greater than 10 g/l or when the COD*/BOD* ratio is greater than 3, biological treatment plants no longer function effectively. Pre-treatments then need to be added to ensure attainment of the high limits required.

Case study:

Orège designed and constructed a treatment line for an industrial cosmetics/fine chemicals site which had for several years been looking for a treatment solution enabling it to avoid incineration of its effluent.

Orège therefore installed a special treatment line based on its SOFHYS technology and meeting the customer's very specific requirements:

- (i) treat COD* levels going up to 300 g/l bringing them down to around 30 g/l so enabling subsequent treatment in the industrial biological treatment plant;
- (ii) reduce the COD*/BOD* ratio to less than 3 (increasing biodegradability) so that the WWTP*'s biological process could complete effluent treatment
- (iii) reduce the effluent's toxicity prior to its entering the WWTP*; many molecules in this water are potentially toxic to biological systems
- (iv) reduce the cost of effluent treatment (by over 50% compared with incineration)
- (v) reduce the site's carbon footprint by a factor of 20 compared with incineration
- (vi) management and collection of the gases emitted by the installation

This line can be operated on a 24 hours basis; being fully automated. Two people are assigned to its operation. One person per shift is adequate in order to monitor the process.



View of the on-site SOFHYS treatment line

With the SOFHYS technology, industrial customers can therefore treat effluent that would normally be incinerated by performing an initial treatment stage that allows completion of their treatment by biological means and before disposing them back into the natural environment.

The first industrial installation of this nature by Orège provides a benchmark for the development of new opportunities in the cosmetics, pharmaceutical and fine chemicals sectors.

6.4.4.2. Treatment of extremely variable and toxic effluent – compliance with thresholds imposed by the Water Framework Directive's regulations on priority substances - Mobile unit

Background:

Certain industrial sites generate effluent that contains chemical substances that are extremely environmentally hazardous, in very variable quantities.

This variability creates an additional problem for biological systems and also for activated carbon type treatments.

In these cases, broad spectrum non-biological techniques are called for, in other words those able to systematically treat any pollutant present, irrespective of its concentration.

Case study:

Over several months, Orège has provided a service on a large chemicals storage site (more than 50 different products) involving treatment of all the site's water: storage tank, spillage and leaks.

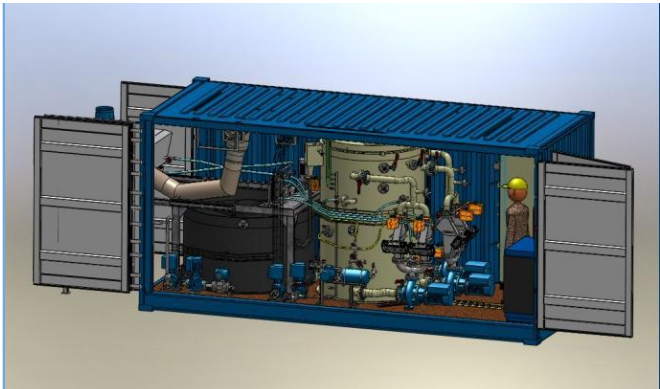

This being wastewater, and not process water, the customer managed to store it and Orège was able to effectively deploy its mobile SOFHYS unit to treat the stored volumes of effluent.

The challenges for Orège in this application were the following:

- (i) treating the effluent irrespective of its composition which varies over the year; the effluent essentially contains dissolved pollutants (especially aromatic compounds) in very variable concentrations;
- (ii) reducing COD* from 1.5-2 g/l to 500 mg/l by means of a compact mobile unit (3m³ SOFHYS reactor) which treats 1.5 m³/h on average;
- (iii) providing a mobile service in quick response to the needs of a customer who had no effective on-site treatment solution, nor any biodegradability or effluent toxicity improvement system; and
- (iv) significantly act on all present pollutant molecules.

Out of all the molecules tested under the Water Framework Directive (twenty specific to this sector), fifteen were present in the raw effluent.

The SOFHYS technology has demonstrated its capacity to reduce the concentration of pollutants by a factor of 10 to 1,000 thereby meeting the Environmental Quality Standard thresholds for virtually all of the molecules.

	
Model view of the container mounted SOFHYS mobile unit	View of the 3 m ³ reactor forming part of the SOFHYS secure automated mobile industrial unit

In principle the unit is able to operate on a 24 hours basis. Currently the unit operates over a daily 12 hour period with a visit by a technician in the mornings and another in the evenings.

SOFHYS mobile units offer an invaluable alternative solution for industrial companies because they

enable occasional or continuous flow management without the need for significant capital investment and associated installation works.

Orège has proven its capacity to design, install on site and operate this type of system.

Orège, taking into account the upcoming fundraising, has scheduled the manufacture of a number of mobile units in order to meet the needs of numerous industrial companies in terms of reducing investment costs, an especially critical factor in these times of economic crisis.

Chemical and hydrocarbon storage sites will then be approached in France and Europe thanks to this existing satisfied customer in so far as their effluent problems will be virtually identical.

6.4.4.3. Treatment of effluent with high hydrocarbon content and high salinity

Background:

Effluent with high hydrocarbon content poses problems for conventional biological treatments.

It is however possible to adapt biological systems to this effluent type as long as the effluent exhibits a certain regularity (hydraulic and organic load).

A variation in these loads generally leads to impairment of the biological process (performance not attained - discharge outside required tolerances).

Other difficulties may be encountered with this effluent type depending on its source, and making it definitively impossible to treat by biological means.

This is the case with draw-off water from storage tanks in oil storage plants.

In this case, the oil stored comes in fact directly from the oil deposits.

Water contained in these oils after extraction (water extracted with the oil or injected into wells) is always high in salt, making it very difficult to manage in biological treatments systems.

Case study:

Orège constructed and deployed, for an oil storage site owned by a number of large Oil&Gas Majors (supplying the refineries in the region), an industrial unit dedicated solely to the treatment of effluent drawn-off from storage tanks.

The water present in the storage tanks is denser than the crude oil and is consequently located at the base of the tank. It is removed through regular purges and then directed towards an oil trap/separator on the site.

The oily phase on the surface is then collected and sent to a storage area known as Slops. Slops are the various residues that can be recovered simply by mixing with crude oil. The subnatant aqueous phase however is not recoverable.

It is therefore this subnatant water that requires treatment, its characteristics being incompatible with discharge into the natural environment.

The challenges facing Orège were as follows:

- (i) a very variable effluent depending on the provenance of the oil: over 80 different countries and therefore very different oil exploitation and extraction conditions;
- (ii) a very wide variety of dissolved hydrocarbons: in particular BTEX (Benzene, Toluene, Ethylbenzene and Xylenes) notoriously difficult to remove using conventional treatments, whether biological, physico-chemical or a combination of both;
- (iii) very high levels of NaCl (up to 30 g/l);
- (iv) a targeted COD* reduction from 1 g/l to 300 mg/l for variable flow rates of 2 m³/h;
- (v) targeted discharge to the natural environment; and
- (vi) targeted savings of around 50% in terms of treatment cost compared with incineration or activated carbon treatment

The installed unit is fully automated; it operates on a 24 hours basis with one operation technician present each day.

This initial industrial experience in the oil industry constitutes a major benchmark for Orège. Multiple crude oil storage sites in France and in Europe could then be approached thanks to this key satisfied customer.

Already, several requests for appointments and offers are being processed at Orège.

This successful mission also opens up interesting possibilities for oil drilling and production sites worldwide, in so far as the effluent generated has similar characteristics.

Refinery sites may also be interested, particularly those storing crude oil on site. The sites could also well be interested in a tertiary treatment to supplement biological treatments already in place but where results are unsatisfactory.

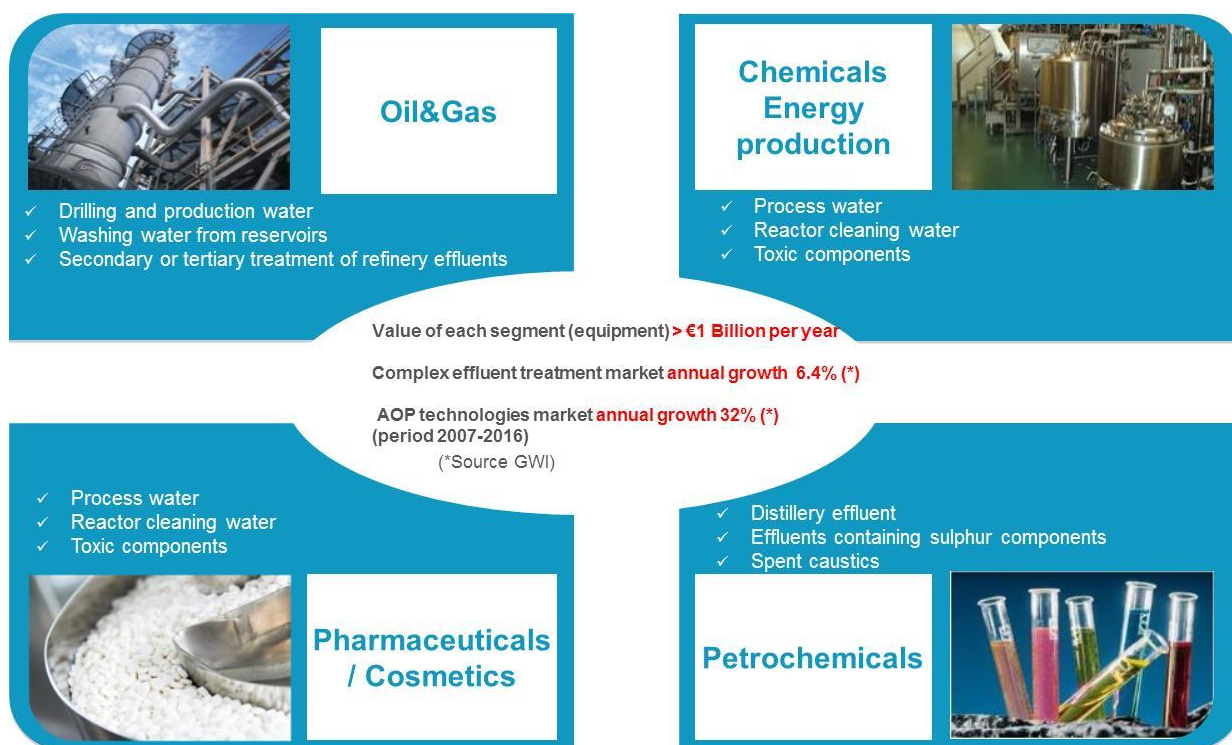
This first successful installation is also a first technological benchmark for Water Authorities and DREAL in France.

6.5. THE MARKET AND COMPETING TECHNOLOGIES

SOFHYS technology constitutes a technological breakthrough in the industrial effluent treatment equipment market. Annual growth of the industrial complex effluent treatment market is estimated at 6.4% over the past five years and for the Advanced Oxidation Processes market annual growth is estimated at around 32%⁸.

Orège has chosen to target primarily the following market segments:

- (i) the Oil & Gas market ;
- (ii) the Chemicals market, including Pharmaceuticals/Cosmetics ; and
- (iii) the Energy Production market

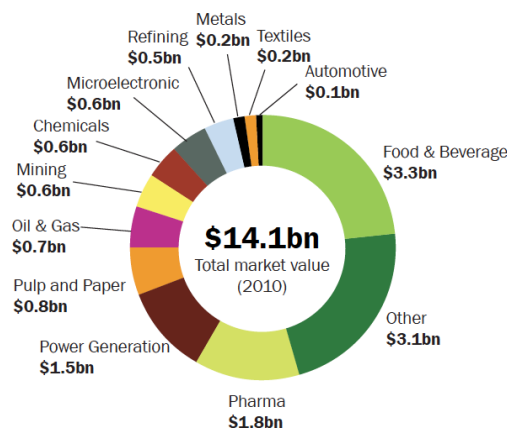


Certain of the Company's senior managers and directors are responsible for development in each of these markets.

The diagram below illustrates the global industrial water treatment market, which includes both process water treatment (disinfection, demineralisation, etc.) and industrial effluent treatment.

⁸ Source GWI.

Figure 1.22 Industrial water and wastewater equipment market by sector



Source: GWI –Water Technology Markets 2010

The food & beverage market is one of the largest consumers of water.

However, effluent generated by this industry is generally biodegradable and hence treatable by means of conventional biological wastewater treatment plants. This sector is therefore not targeted by Orège for SOFHYS technology.

The oil & gas sector (onshore and offshore, refining and storage plants) and chemicals sector (fine chemicals, pharmaceuticals and energy production) represents slightly over 40% of the global market. These sectors generate complex effluent with low biodegradability, an effluent type targeted by Orège technologies.

6.5.1. The oil & gas market

6.5.1.1 Oil & gas production (drilling, production)

Oil & gas drilling and production operations consume and pollute large volumes of water.

Drilling effluent is still often dumped at sea, but new regulations are now beginning to put pressure on drilling companies to set up advanced treatment processes on offshore rigs.

There are 3,000 rigs, of which around 40% are in North America. The main wastes to be treated are drilling fluids, containing water, oil and special salts, and waste from platform cleaning operations, to be treated separately or mixed.

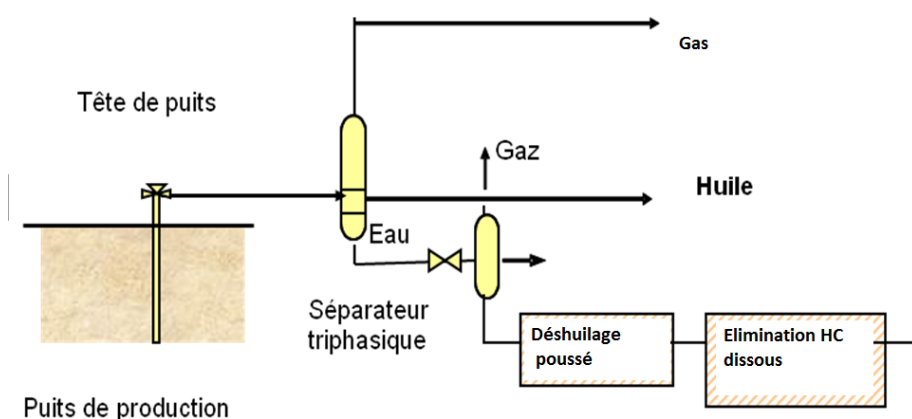
The main characteristics of these effluents are:

- (i) presence of dissolved aromatic carbons, notably BTEX (Benzene, Toluene, Ethyl-benzene and Xylenes) and PAHs (Polycyclic Aromatic Carbons);
- (ii) high salt concentrations, presence of dissolved gases (CO₂, H₂S), minerals in cationic and anionic form;

- (iii) toxic components such as biocides, corrosion inhibitors and descaling agents;
- (iv) presence of hydrocarbon droplets and additives; and
- (v) presence of organic compounds such as alcohols, ketones and mercaptans.

The presence of high concentrations of aromatic hydrocarbons is of particular concern in the case of discharge at sea due to their toxic nature and solubility in water. To date, there is no on-site industrial method for genuinely effective treatment of all the elements in these mixtures. Most solutions deployed, primarily oriented to phase separation, only enable separation of the undissolved pollutants. Conventional technologies currently used to treat this type of wastewater are complex, costly and often inadequate in terms of performance.

At present, water from drilling and production is treated by use of conventional separation techniques giving rise to 3 phases: a gas phase, an oil phase and a liquid phase, as shown in the following diagram:



Tête de puits	Well-head
Gaz	Gas
Huile	Oil
Eau	Water
Séparateur triphasique	Three-phase separator
Désuilage poussé	Advanced de-oiling
Elimination HC dissous	Elimination dissolved HCs
Puits de production	Producing well

Treatment of water from drilling and production

Insoluble oils are relatively easy to extract and are often recoverable. Certain physico-chemical processes are then employed on the resulting water in order to separate droplets with diameters < 5µm. The separating thresholds of the commonly used conventional techniques are summarized in the following table:

Separation technology	Minimum size of separated droplet (microns)
API gravity separator	150
Flotation (without flocculant)	40
Plate-type separator	25
Flotation (with flocculant)	3 to 5
Hydrocyclone	10 to 15

Coalescer	5
Filter	5
Centrifuge	2
Membrane filter	0.01

Membrane techniques can reach low cut-off points, but they are very expensive and difficult to maintain. Consequently they are rarely used on oil and gas platforms at present.

Current techniques enable partial treatment of water from oil & gas production by reducing the quantity of particulate and dispersed oils.

However, the dissolved organic components are not treated by these processes.

6.5.1.2. Refining

Refineries use very high quantities of water.

0.3 m³ of water is used to refine one tonne of crude oil.

With 3.6 billion tons of crude oil refined each year, this means that more than 1 billion m³ of effluent has to be treated.

Annual growth in this market is estimated at 6%⁹, a combination of increased world demand for oil & gas products and the need for industrial companies to invest in order to comply with regulatory requirements.

The water treatment equipment for refineries market was worth US\$ 395 million in 2010 and will reach US\$ 485 million in 2014.

Country	No. of Refineries	Annual Production (10 ⁶ .T/ year)	Effluent Produced (10 ⁶ .T/year)
France	14	88	26
Germany	13	105	31
Italy	15	84	24
UK	9	160	46
USA	149	757	220
Middle East	42	250	72
World	715	3,586	1,040

There are various types of refinery effluent depending on the process generating the effluent, and each type can necessitate a specific treatment solution:

⁹Source GWI.

- (i) **Biodegradable effluent:** there are two sources of biodegradable effluent:
- (a) the first type of effluent is made of residual water from wash water, run-off and leakages. They are collected via a single network. The composition of such wastewater varies widely;
 - (b) the second type is cooling water from distillation units. Cooling water can be used in open or closed circuit systems. It generally contains a low quantity of pollutants derived from crude oil. This effluent is biodegradable and is normally treated by the refinery's biological WWTP.* It represents 97% of the total volume of effluent generated by refineries. However, the new Water Framework Directive regulations will compel refineries to significantly reduce their discharge of priority substances contained in treated biodegradable effluent. It will therefore be necessary to perform tertiary or even quaternary treatments downstream of the biological treatment in order to remove this residual pollution. SOFHYS could therefore perform this finishing treatment thereby producing water permissible for discharge to the natural environment.
- (ii) **Process water:** water from washing, desalination and stripping units. This includes condensates from atmospheric and vacuum distillation, steam cracking and hydro cracking. It represents around 2% of the total volume of effluent generated by refineries. It generally contains aliphatic and aromatic hydrocarbons, mercaptans, amines and dissolved H₂S. It is therefore non-biodegradable and in most cases cannot be directly treated in a biological WWTP*. This effluent is generally disposed of by means of incineration. To reduce disposal costs, it can be stored and then small proportions routed into a biological WWTP* diluted with biodegradable effluent. This type of treatment generally leads to reduced efficiency of wastewater treatment plants.
- (iii) **Spent caustics:** this effluent is generated by crude oil and intermediate fraction washing operations forming part of the refining process. Spent caustics remain among the most difficult effluents to treat. This effluent comprises mainly phenols, H₂S and has high soluble COD* levels (around 100 g/l). It is a highly toxic effluent that cannot be treated by biological means. Spent caustics are in the main disposed of by incineration. New treatment channels have been implemented recently, in particular wet air oxidation applications. This technique is restrictive since it requires installation of a high pressure (around 100 bar) and high temperature (> 300 °C) unit. SOFHYS should be able to position itself favourably from a savings viewpoint in terms of treatment of this effluent type.

6.5.1.3. Oil & gas product storage plants

Oil & gas product storage sites consume water for cleaning storage tanks purposes which is polluted by crude oil. Volumes of water used are estimated at 2% of the volumes of stored oil.

In France there are over 150 storage sites with a total storage capacity of 46 million tons. This storage generates the production of around 1 million tons of effluent.

At world level, crude oil storage capacity is around 2 billion tons. We therefore arrive at an annual figure of 44 million tons of effluent that needs to be treated¹⁰.

The table below shows effluent storage volume by country.

Country	Storage Volume (10 ⁶ .T)	Effluent Produced (10 ⁶ .T/year)
France	46	0,9
Germany	56	1.1
United Kingdom	26	0.5
Holland	35	0.7
USA	503	10.1
World	2,181	44

This effluent has similar characteristics to that of effluent from drilling and production. There are various disposal and treatment channels for this effluent type of which the most common are listed below:

- (i) **transfer and "dilution" of the effluent into a biological WWTP* specializing in hydrocarbon treatment:** in case of low-flow dilutions it becomes possible to integrate such effluent without excessive impairment of the biological function;
- (ii) **activated carbon adsorption:** this treatment is generally performed on site. It is only possible when the pollution load is not too high. Otherwise, the adsorbent is very quickly saturated and the regeneration phases that have to be performed in a specialized treatment unit are too frequent. In addition, activated carbon is not very effective for variable pollution loads, and oil & gas storage plant effluent is by nature variable ;
- (iii) **incineration:** if COD* levels are excessively high, channeling this effluent to a biological treatment line is no longer feasible. It is then necessary to dispose of it by way of incineration.

SOFHYS has proven its positioning with oil & gas storage sites as it is able to provide an *in situ* treatment that meets required performances and with highly competitive treatment line costs.

6.5.2. Chemicals

The chemicals industry is a very varied industrial sector: organic chemistry, mineralogical chemistry, petrochemicals, pigments, specific areas of chemistry, etc. Over 10,000 products are supplied by this industry.

Effluent composition and volumes are therefore correspondingly diverse.

¹⁰ Source GWI.

These effluents contain biorefractory compounds coming under the following categories: polycyclic aromatic hydrocarbons (PAHs), halogenated volatile organic compounds (HVOCs) and pharmaceutical substances.

The chemicals industry and the pharmaceuticals industry generate pollution containing toxic and/or biorefractory compounds that can accumulate in water tables.

The water treatment equipment market in this sector is estimated to be worth USD 515 million with an annual growth rate of 10% due to a strengthening of regulatory requirements in Europe and the US, and an increase in the number of production sites, mainly in emerging countries¹¹.

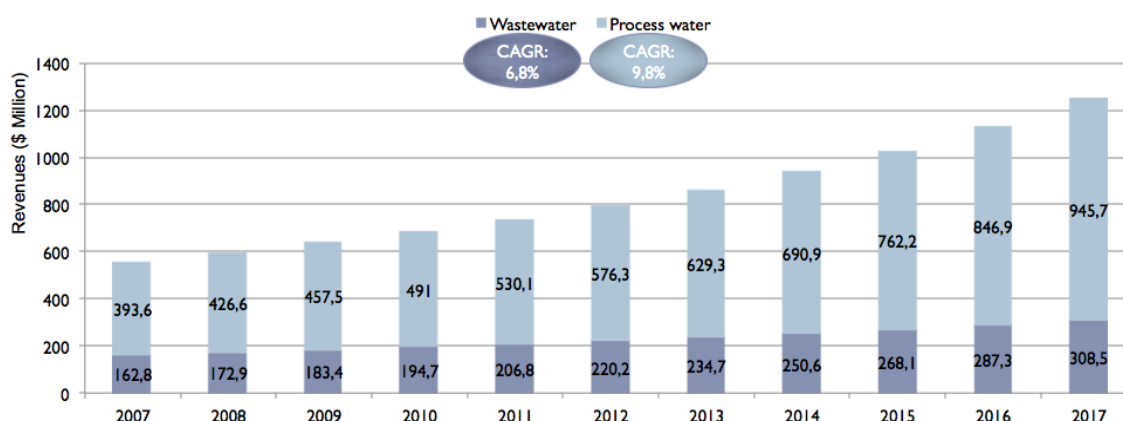
This industry is very much concentrated in the US, Western Europe and Asia-Pacific region.

All companies involved are subject to new legislation irrespective of their location (REACH in Europe, SEPA in China).

6.5.2.1. The pharmaceuticals industry

In 2012, the effluent treatment market in the pharmaceutical industry was estimated to be worth USD 220 million with an annual growth rate of 6.8%.

Development of the water treatment market in the pharmaceutical industry



Source: Frost & Sullivan

The issue of emerging contaminants and micropollutants is a priority focus for this industry which produces large quantities of these compounds.

In anticipation of further sector-specific regulations, the search for satisfactory technical solutions is especially active.

The vast majority of the market is in the USA and Western Europe, but we are seeing a high level of development for generics production units in emerging countries.

¹¹ Source GWI.

6.5.3. Business opportunities

Looking beyond the target market segments, SOFHYS technology enables Orège to develop opportunities in markets generating large quantities of often toxic effluent for which existing technologies are not entirely satisfactory:

- (i) **Unconventional oil & gas market:** oil produced from oil sands, coal-seam gas, shale gas. The treatment of water from exploration and fracturing (also known as fracking) and water from production constitutes a major obstacle to development of these new energy resources. The moratoriums imposed by certain countries, for example France, are in part due to the need for satisfactory treatment solutions to be developed. It is Orège's intention to work in this market sector, and it has already received numerous enquiries about SOFHYS technology from interested parties.
- (ii) **Offshore and onshore oil & gas exploration:** international legislation imposes increasingly strict effluent treatment requirements on discharge into the natural environment, including regarding offshore oil platforms. The volumes of water to be managed are increasingly large. On average 7 barrels of water are extracted for every 1 barrel of oil. Orège has been working on a treatment protocol for such "produced water" for over 2 years and has obtained very satisfactory results. Orège is in the process of designing and industrialising a containerised treatment unit compliant with offshore oil industry standards.
- (iii) **Acidic wastewater from refining processes:** this water has very high concentrations of dissolved complex pollutants (phenol and H₂S type sulphur-containing compounds) and is among the most difficult of effluents to treat and the most costly to dispose of (€150 /m³ for incineration). Over 13.9 million m³ of acidic wastewater is produced by the oil & gas industry. Orège has conducted on-site tests on this effluent type using a mobile unit. The results obtained have been very positive, in particular enabling the treated wastewater to be discharged to the site's existing WWTP*. The next step is development of an industrial-scale solution.
- (iv) **Micropollutants:** molecules present in low concentrations derived from human activities and use of medicines, hormonal treatments and plant health products found in urban effluent. Municipal wastewater treatment plants are capable of removing only 90% of these molecules. Specific regulations are under study and will become a major issue since a new standard will inevitably require investment on all wastewater treatment plants.

Orège has synthesised a few short term market priorities for SOFHYS in the following diagram:

Sophys: initial focus on four selected priority segments

	Target Markets	Orège Solution	Alternative solutions	SOFHYS Performances
Oil & gas and chemicals storage plants	<ul style="list-style-type: none"> 100 storage plants in Fr Thousands of storage plants in USA/Canada Estimated potential market value €1 billion per year (€30/m³) 	<ul style="list-style-type: none"> Installation of <i>in situ</i> SOFHYS treatment unit Solution currently available 	<ul style="list-style-type: none"> Incineration Activated carbon treatment Industrial wastewater treatment plant (dilution with biodegradable effluent) 	<ul style="list-style-type: none"> Cost reduction > 50% Improved carbon footprint Compliance with regulations
WFD/REACH Chemical Industries Regulations in Europe	<ul style="list-style-type: none"> Production sites Pharma Cosmetics Petrochemicals Specific areas of chemistry Hundreds of production sites in Europe 	<ul style="list-style-type: none"> Installation of <i>in situ</i> SOFHYS treatment unit Solution currently available 	<ul style="list-style-type: none"> Incineration Wet air oxidation technology + industrial wastewater treatment plant Activated carbon treatment 	<ul style="list-style-type: none"> Cost reduction > 50% Improved carbon footprint Compliance with regulations
Refining Spent caustics	<ul style="list-style-type: none"> 700 refineries worldwide Average production 1.5 m³/h Estimated potential market value = €300 million/year (€150/m³) 	<ul style="list-style-type: none"> Design of a dedicated line based on SOFHYS technology for <i>in situ</i> effluent treatment Development 12 to 18 months 	<ul style="list-style-type: none"> Incineration Oxidation technology + industrial wastewater treatment plant 	<ul style="list-style-type: none"> Cost reduction > 50% Improved carbon footprint Compliance with regulations
Upstream	<ul style="list-style-type: none"> 3,000 drilling wells of which 1,200 offshore Drilling effluent 	<ul style="list-style-type: none"> Design of a dedicated line based on SOFHYS technology for <i>in situ</i> effluent treatment Development 12 to 18 months 	<ul style="list-style-type: none"> Transport by sea or road + incineration or activated carbon treatment or dilution in an industrial WWTP 	<ul style="list-style-type: none"> Cost reduction > 50% Improved carbon footprint Compliance with regulations

6.5.4. Alternative treatment and disposal techniques

Given the complexity of the effluent managed by the SOFHYS technology, the available technical alternatives are as follows:

Storage, dilution, and deep injection: these solutions do not eliminate the pollutants and present considerable environmental pollution risks. They are the subject of increasingly frequent restriction or prohibition.

Incineration: destruction of toxic effluent in incinerators requires very high temperatures (> 900 °C) leading to very high energy consumption and costs.

The cost of incineration is high, on average between €150 and €250 /m³ of effluent coupled with transportation costs: it increases with energy costs and the need to acquire ever more sophisticated flue gas treatment equipment for compliance with legislation. In some cases the price can exceed €500 /m³. The environmental footprint aspect and public perception of this technology are highly negative. In addition, it is increasingly difficult to obtain permits for the construction of new incinerators in Western Europe¹².

¹² Source GWI.

Activated Carbon: for the capture of low concentration complex molecules, activated carbon or resin filters are effective. The carbon adsorbs the components; it must be regularly transported to a specialized facility for regeneration, which makes its use costly. The use of activated carbon requires that the nature of the pollutants has been precisely targeted, that the effluent is not a variable complex mixture and that COD* levels are not too high; it is normally used as a finishing treatment since the adsorption capacity of the filters is limited.

The cost of this treatment is also high, due to the need to regenerate the activated carbon in a specialized treatment facility.

OREGE considers that at the present time and based on information presently available, the total cost of 1 m³ treated by SOFHYS is close to half the cost of treatment by means of incineration or activated carbon (depending on the effluent in question).

Advanced Oxidation Processes (AOPs)

There are advanced oxidation processes more conventional than anodic oxidation:

- (i) **The Fenton process:** this requires acidic conditions (pH~3) and does not have the capacity to oxidise all organic compounds. In addition, a very large amount of sludge is produced upon pH neutralization;
- (ii) **Ozonation:** based on the reaction of ozone with dissolved organic compounds, ozonation is one of the most used treatments for the destruction of pharmaceutical residues and endocrine disruptors. Its main drawback remains in the high energy consumption required for Ozone generation; and
- (iii) **Oxidant combinations:** UV/Ozone, Peroxide/UV, Peroxide/Ozone combinations.

	SOFHYS	Incineration	Dilution Storage	Advanced Oxidation	Activated carbon Resin
Treatment efficiency	+++	+++	---	+++	++
Low Energy Consumption	++	---	+	-	++
Water re-use	+++	---	---	++	++
Transportation not required	+++	---	-	++	--
Low CO2 emission	++	---	++	+	++
Cost	++	---	+++	+	-

A comparative study on anodic oxidation, ozonation and the Fenton process for the treatment of pharmaceutical industry effluent shows that anodic oxidation and ozonation enable COD* reduction equivalent to that of the Fenton process but that ozonation requires markedly higher energy consumption. The Fenton process however did not allow for a reduction as sizeable as the other processes did.

Another more recent oxidation technology exists: catalytic wet air oxidation (WAO), although it is in general not classed as an Advanced Oxidation Process. Wet air oxidation requires the use of high temperatures (around 300 °C) and high pressure (50 to 100 bar) in order to fully oxidize the organic matter. It is therefore similar to incineration.

Due to the safety and energy constraints incurred by this process, it is ultimately not very much used, except in the treatment of spent caustics from refineries.

The cost of this type of treatment is high in terms of both capital expenditure and operating costs; caustics treatment units are generally sold for a value over the USD 10 million.

In the Company's view, SOPHYS allows the best performance / cost among all available Advanced Oxidation Processes.

The AOP technologies market

The Advanced Oxidation and Wet Air Oxidation solutions and equipment market is relatively recent. Its volume exceeded USD 125 million in 2012 (source: GWI-Water Technology Markets 2012). But due to the need to meet new obligations and requirements, annual growth in this market is of more than 30%. No other water related market sector shows such a high annual growth rate.

Western Europe and North America represent around half of the world market.

SOPHYS is today part of this AOP technologies market from a technological perspective, although its "competitive" positioning is very much broader than this market alone.

6.6. THE SLG PROCESS

6.6.1. General presentation of the SLG process

6.6.1.1. Background

Water scarcity is today leading all countries to step up their requirements in terms of wastewater treatment in both industrial and municipal contexts. Treatment of wastewater prior to being discharged into the natural environment leads inevitably to the production of sludge. Sludge is in fact the "solid" fraction that is removed from wastewater to obtain treated water suitable for discharge back into the natural environment (rivers, etc.).

The method most frequently used to obtain this treated water is biological. It basically involves digestion of the pollutants in the water by microorganisms. Sludge is therefore made of these microorganisms and

residual pollution or residues from physico-chemical pre-treatment.

Sludge from biological WWTPs* essentially contains water (99%), organic matter, nutrients (nitrogen, phosphate), minerals (metals, etc.) and microorganisms of which some are pathogenic, (E. coli, viruses, etc.).

This sludge is waste for which an end destination/recovery channel has to be found. It can contain microbial, organic or mineral pollution making its recovery even more problematic. It can also generate significant odour nuisance.

Given these conditions, the disposal of sludge is highly regulated. The possible channels are (i) landfarming (ii) composting (iii) landfill or (iv) incineration depending on the situation.

These options all entail significant costs.

All water and sludge treatment operators are therefore seeking to reduce volumes of sludge produced but without increasing energy consumption required for their treatment.




The most widespread solutions for sludge volume reduction are the following:

- (i) **mechanical dewatering of sludge** generally performed directly on exit from the clarifier (equipment used to separate liquids from solids in WWTPs*). Mechanical dewatering uses technologies such as thickeners, belt filters, centrifuges and plate filters. These 4 families represent virtually all of the mechanical techniques used worldwide.
- (ii) **anaerobic digestion of sludge (or methanisation)**: a biological process whereby under anaerobic conditions (absence of oxygen), in a sealed tank (digester) and at a temperature between 30° and 40 °C, methanogenic bacteria will develop. These bacteria digest the organic matter contained in the sludge and produce methane which can be recovered for energy use. On completion of the treatment, the sludge (microorganisms and nutrients) is ready for further processing, but in smaller quantities due to this digestion process. In most cases the sludge is mechanically dewatered before being "digested" in this way and then dewatered mechanically again prior to its end destination.

Mechanical dewatering is therefore necessary whichever disposal solution is chosen.

Mechanical dewatering techniques

There are three main mechanical dewatering techniques:

Belt filter	Centrifuge	Plate filter
		

The table below compares these 3 techniques used on the same sludge from a biological WWTP*.

- (i) **the belt filter** is easy to use and is the least costly treatment, for a number of reasons: low energy and flocculant consumption (2 to 3 times lower than for centrifuges), lower investment required than for the other two technologies.
- (ii) **the plate filter** gives the best results in terms of dryness but it is also the most energy consuming technique.
- (iii) **the centrifuge** can be viewed as a solution falling between the above two techniques and is the most widely used in Western countries although operation is often considered problematic.

Ultimately the use of one technique rather than another depends very much on the size of the related wastewater treatment plants.

The belt filter is more appropriate financially for small plants with sludge flow rates under $4 \text{ m}^3/\text{h}$.

For sludge rates greater than $8 \text{ m}^3/\text{h}$, centrifuges are of real value, as are plate filters in some cases.

In the case of medium sized plants, belt filter and centrifuge technologies are often competing.

Table1: Comparison of the 3 main mechanical dewatering techniques for so called WWTP* organic sludge

	<i>Belt Filter or Belt Filter Press</i>	<i>Centrifugal Separator</i>	<i>Plate Filter</i>
<i>Process principle</i>	Compression between 2 filter cloths	Separation of solid particles then compression at the periphery	Pressure system, filtration cavities
<i>Process type</i>	Continuous	Continuous due to worm element	Batch
<i>Pre-treatment</i>	Gravity draining table ⇒ Sludge thickening	Sludge conditioned using synthetic polymers	Sludge conditioned Addition of mineral reagents (FeCl ₃ + lime) ⇒ Small resistant flocs
<i>Technology factors and parameters</i>	Number of pressure rollers: 5 to 10 or more Roller diameter Gap between rollers Filter cloth winding Belt width Various pressures: 3 to 7 bar	Acceleration: 3,000 to 5,000 g Bowl rotation speed Bowl radius: 15 to 50 cm	Pressure 7 to 12 bar Filtering cloths Possible addition of inflatable membrane Plates: 0.3 to 1.5 m in size Cavity depth: 20 to 30 mm Complete cycle: filling, filtration, removal, washing Cycle duration: 2 to 4 hours
<i>Advantages</i>	Low investment cost Low operating cost Easy implementation	Less monitoring than belt filter Dryness superior to belt filter Compact with enclosed appearance	Sludge compaction Best dryness of the 3 techniques
<i>Drawbacks</i>	Limits on pressure applied Washing of filter cloths uses large quantities of water	Maintenance difficult on the most sophisticated machines Need for qualified personnel in the event of malfunction Liable to wear due to sand and clogging	Batch operation Energy consumption
<i>Dryness obtained</i>	10-18%	16-22%	25-40%

For very small wastewater treatment plants, investment in this type of technique is often not justified. They therefore generally lean towards more "rudimentary" solutions: drying bed, geotube or simple flocculation.

There are other types of sludge apart from sludge generated by wastewater treatment plants:

- (i) harbour dredging spoils, lagoon sludge, drilling muds: these sludge types have a higher mineral content than WWTP* sludge but still contain an organic fraction; and
- (ii) process-generated sludge in certain industries, such as food & beverage and paper & pulp.

In any case, sludge volume and their end use constitute a major challenge for sludge producers, even though wastewater treatment is the area where these problems are the most critical, given the volumes generated.

All the techniques described above can therefore be used to help reducing sludge volume. Nevertheless, these techniques have now been used for many years without any real initiatives coming to the fore that could lead to improvement in performances and that are also cost effective.

Equipment manufacturers and operators in this market have therefore been searching for new technologies for many years. A case in point is Veolia's ATHOS process, a wet air oxidation process for treating sludge.

This oxidation requires high temperatures (250 °C to 300 °C) and high pressure (70 to 150 bar) and presence of an oxidising gas (air or oxygen). The system very significantly reduces sludge volume (reduced to the inorganic fraction), stabilises the sludge, destroys micropollutants and reduces odours. But the cost and complexity of this process mean that it is rarely used and tends to be reserved only for large WWTPs*.

Aside from the sludge digestion process that is based on the principle of consumption of matter by living organisms, sludge volume reduction can also be achieved through improved separation of water and solids. Big bag, drying bed, belt filter and centrifuge techniques all serve the same purpose, that of separating water and solids.

All these techniques consequently require a prior sludge processing stage, named flocculation. Flocculation consists in adding a chemical that causes the micelles and suspended solids to mass together into flocs (clusters of solid particles), so facilitating their sedimentation and separation.

The phenomena involved in this stage are: surface chemistry (Van der Waals and electrostatic forces), and mixing parameters (flow strength and intensity).

In addition, dewatering techniques require energy in varying amounts in order to improve separation.

Sludge dewatering can therefore be improved basically by altering 2 parameters:

- (i) increased energy consumption in order to separate water and solids: temperature, pressure, etc;
- (ii) modification of the sludge structure to facilitate separation of water and solids

The water contained in sludge does in fact have different physico-chemical properties. There are varying interactions between liquid-solid relationships:

- (i) **Free water:** the major part, it is not bound to solid matter and is the easiest liquid fraction to extract from sludge.
- (ii) **Interstitial water:** or mechanically bound water; it is located either inter-floc (between flocs) or intra-floc (inside flocs). Energy input is needed to free these water molecules through destruction of the flocs.
- (iii) **Vicinal water:** or physically bound water: a number of layers of water attached by hydrogen bonding. Vicinal water adheres to surfaces of solids.
- (iv) **Water of hydration:** this water type is chemically bonded to a particle forming part of its chemical composition, and its removal requires high energy consumption.

By exploiting these interactions, it is possible to achieve easier separation of water and solid particles.

6.6.1.2. Principle and operating of the SLG process

Principle:

The SLG (Solid/Liquid/Gas) process consists in facilitating the separation of organic and mineral matter from water almost instantly, by acting on the structure of the sludge.

Hence, numerous impacts are created inside a small size reactor (60 litres for 10 m³/h of treated sludge) between solid sludge particles and intentionally introduced gas particles.

These gas particles are generated inside the reactor by a compressor providing slightly compressed air; the pressure in the reactor is currently under 3 bar. These various parameters lead to very significant energy transfer reactions resulting in a modification to the structure of the sludge (in particular the breaking up of colloids).

The way in which the SLG reactor functions is summarized in the simplified diagram below:

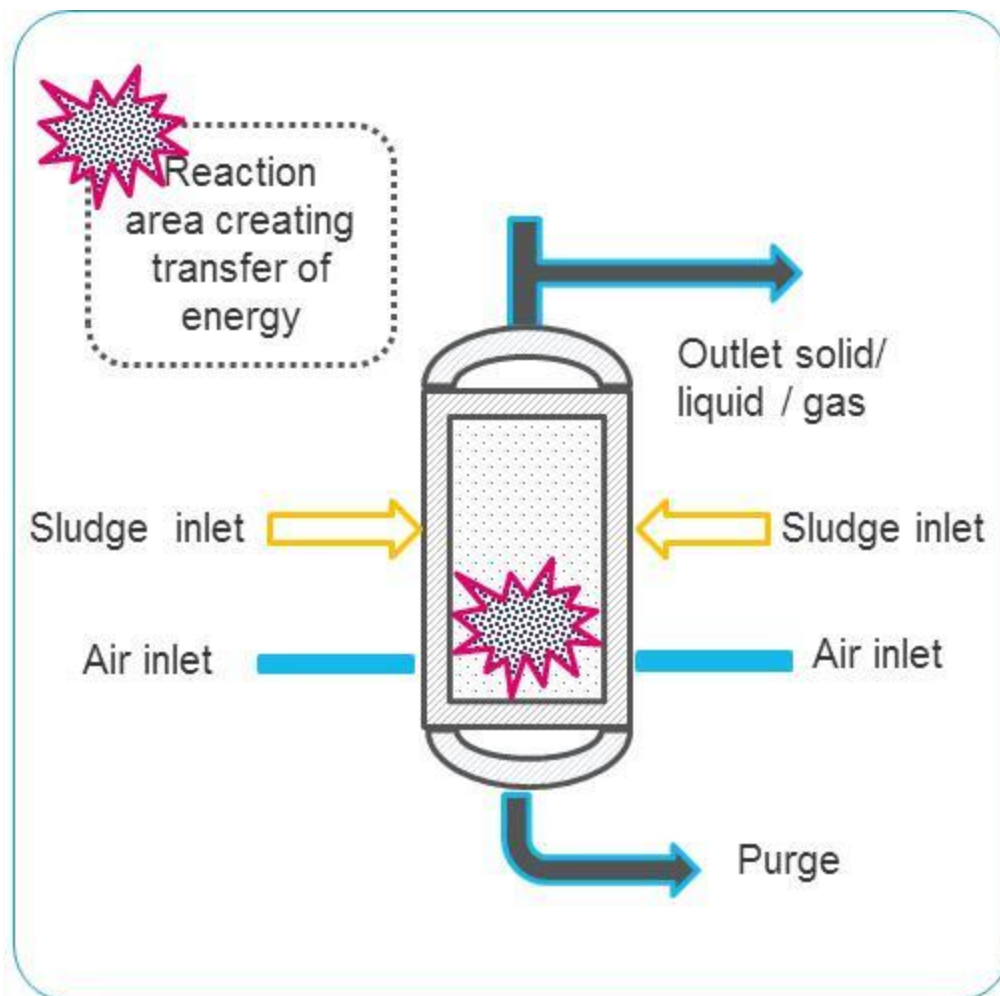
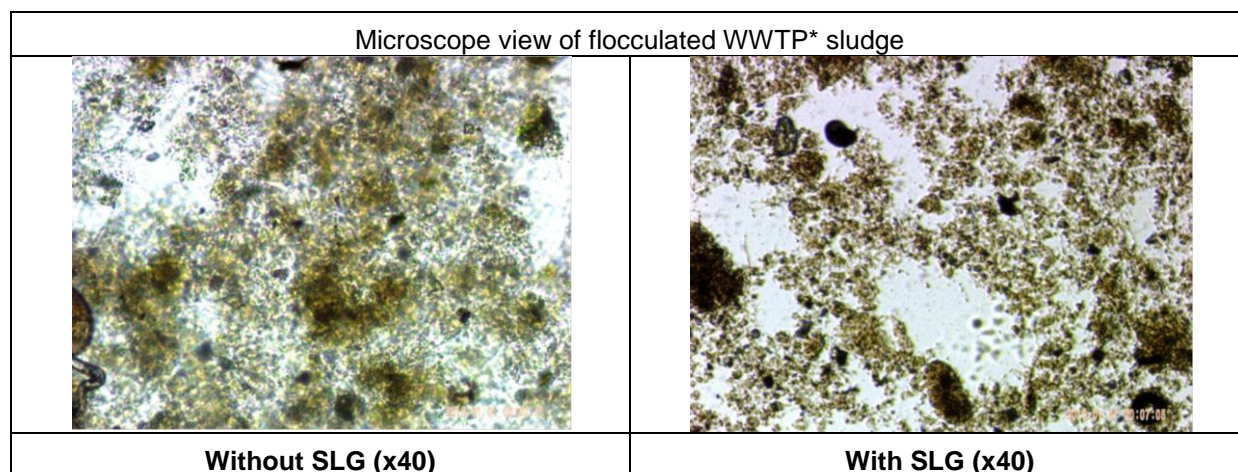


Figure 2: diagram illustrating the SLG principle

At the reactor outlet, a flocculant is added instead of the flocculent normally used on dewatering tools.

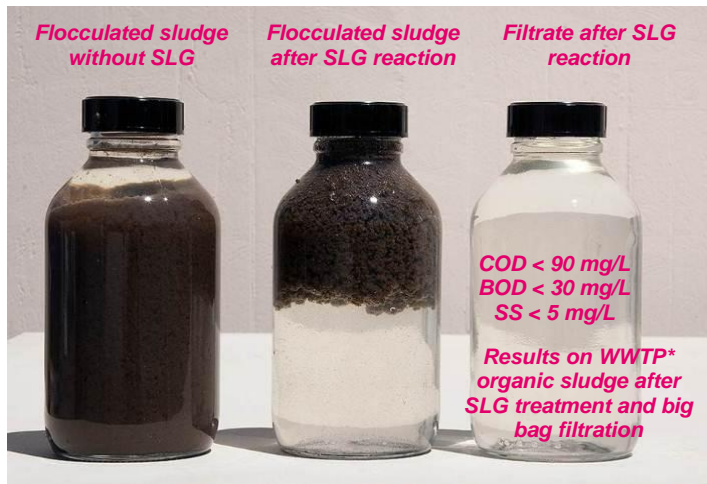
The flocculant gathers up the solid particles and captures the change in structure performed by the SLG. Subsequent water/sludge separation must be performed by means of a conventional separation tool ranging from the simplest (big bag, drying bed) to the most sophisticated (plate filter).

Change in sludge structure



The same sludge treated with SLG exhibits a more porous structure under the microscope. The contours of the solid matter are much more clearly defined. Water also occupies more space.

This change in sludge structure created by the SLG process is even more marked at macroscopic level:



Overview of the change in sludge structure after SLG reaction - quality of filtrate

Sludge post-SLG reaction

- (i) after SLG treatment, the flocculated sludge does not settle and floats due to addition of air;
- (ii) sludge naturally separates itself from water and takes up significantly less space; and
- (iii) after filtration (big bag or other) the sludge structure is porous like earth, it is no longer at all oily in appearance and no longer colloidal in nature.

An external view of the SLG reactor is shown below:



View of SLG reactor

6.6.2 Unique character of the Orège technology

The SLG process acts on the structure of the sludge. Overall it constitutes a particularly innovative process which radically modifies the conventional approach of water extraction by mechanical means.

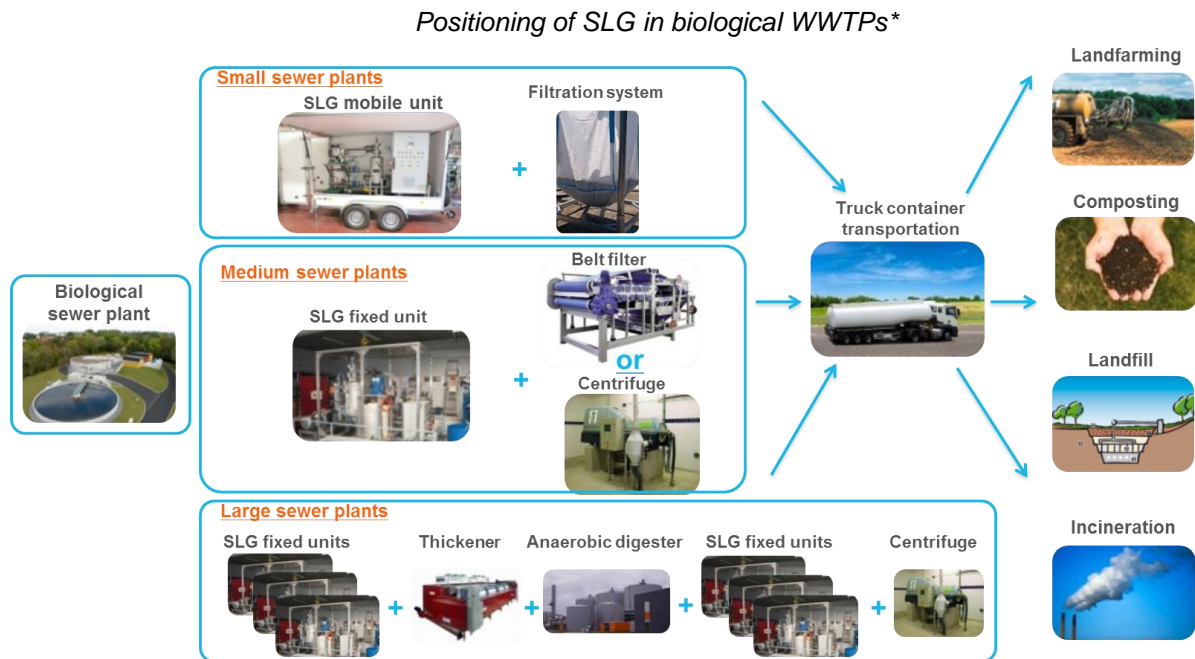
The produced sludge is then more granular, lighter and more porous in appearance.

SLG is therefore first and foremost a technology for **conditioning** sludge prior to its filtration. SLG thus constitutes a breakthrough technology compared with conventional techniques.

The SLG reactor can in fact be used:

- (i) alone: sludge / water separation is subsequently performed via a simple filtration method: big bag, geotube, drying bed;
- (ii) or interfaced with conventional dewatering tools (belt filters, centrifuges, plate filter press).

The main scenarios for SLG positioning in biological WWTPs* are shown in diagrammatic form below:



The SLG technology

The SLG reactor currently operates with flow rates from 3 to 15 m³/h depending on the dry solids content of the source sludge and the operating conditions.

OREGE believes that this range enables coverage of 90% of WWTP* sludge dewatering applications. There are mobile and fixed versions of the SLG reactor.

SLG thus prepares the sludge for final dewatering. The change in structure produced by the SLG process leads to improved dewatering performances using standard techniques: **the volume of sludge to be transported and disposed of is thus reduced by a factor of 1.3 to 2.5.**

More benefits provided by the SLG reactor:

- (i) **a spectacular improvement in quality of the extracted water.** The SS in it are in general compatible with discharge to the natural environment (< 10 mg/l)
- (ii) **improved physico-chemical composition of the sludge** and facilitated recovery:
 - (a) the sludge is no longer colloidal;
 - (b) odour problems are significantly reduced or eliminated; and
 - (c) the microbiological characteristics of the sludge are significantly improved due to oxidation in the reactor (thermotolerant coliforms, sulphate-reducing anaerobic bacteria);

- (iii) a reduced carbon footprint because SLG is a low energy consumption process, unlike conventional sludge dewatering techniques; and
- (iv) rapid return on investment is possible thanks to resultant reduced transport and sludge disposal costs

The SLG can also be used as a phase separation tool: solid/liquid/gas.

Addition of air inside the reactor not only results in easier separation of water and solid particles, but also in the stripping of certain molecules.

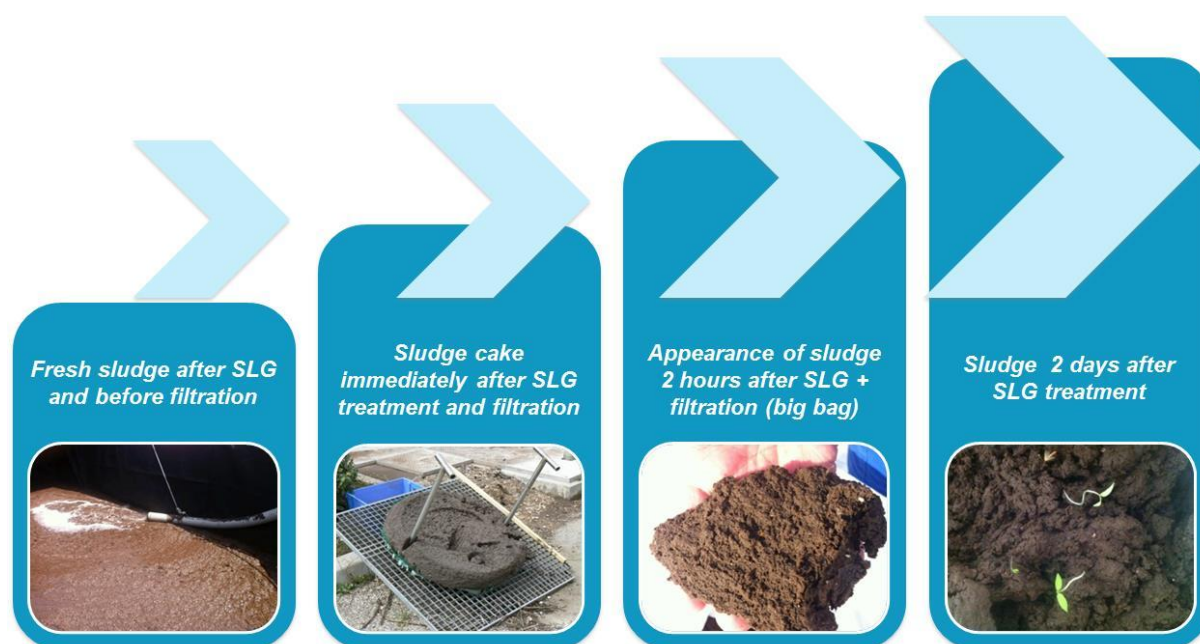
On exit from the reactor, separation of all the phases present is very rapidly noticed. This property and the mixing intensity operating inside the reactor means that SLG could also possibly be used for removing pollutants from sludge or for phase separation in certain industrial chemical or food & beverage processes.

The following diagram with photos illustrates the characteristics of sludge treated by the SLG reactor.

The second photo clearly demonstrates the pelletable character of the sludge after SLG reaction.

The third photo demonstrates the humus type appearance of the sludge obtained after SLG reaction.

The odour of this sludge is also similar to that of humus. The last photo shows natural germination in the sludge after SLG reaction.



Examples of results obtained with an SLG reactor positioned upstream of a belt filter

The following table presents results obtained with an SLG reactor used alone with a simple filtration tool, or in combination with other dewatering techniques, in particular filter and centrifuge.

SLUDGE TYPE	DEWATERING TOOL ALONE	SLG + DEWATERING TOOL	
	Dryness results	Dryness results	Remarks
Case 1: Mineral sludge (tunnel drilling) Dry Solids: 210 g/l centrifuge	50%	70% (+40%)	The SLG works very well on mineral sludge
Case 2: Organic sludge from an industrial WWTP (production of alcohols and ethers) Dry Solids: 26 to 32 g/l Belt filter	13%	23 to 28% (+ 80%)	Tests conducted with a pilot belt filter (3 linear m of cloth)

SLUDGE TYPE	TIME	BIG BAG ALONE		SLG + BIG BAG	
		Dryness results	Remarks	Dryness results	Remarks
CASE 3: Organic sludge Small municipal WWTP (3,300 PE) Dry Solids: 8 g/l Big Bag	After 1 h	7%	Sticky sludge The pores of the Big Bag are quickly clogged up by the sludge	11% (+57%)	The sludge floats, enabling fast separation of solids from water
	After 24 h	10%	Odorous sludge	16% (60°%)	No odour
	After 1 month	22%	Odorous sludge	50% (127%)	No odour

SLUDGE TYPE	CONFIGURATION	DEWATERING TOOL ALONE		SLG + DEWATERING TOOL	
		Dryness results	Remarks	Dryness results	Remarks
CASE 4: Organic sludge Medium size municipal WWTP (50,000 PE) Dry Solids: 5 g/l Gravity draining table + belt filter	<u>Test 1:</u> Gravity draining table alone	5.7%	Sticky sludge The pores of the Big Bag are quickly clogged up by the sludge	7.9% (+38%)	Configuration of value for small WWTPs
	<u>Test 2:</u> Gravity draining table + Belt filter	14%	Odorous sludge	23% (64%)	Use of a small belt filter (1 linear m of cloth), better result anticipated with an industrial filter

SLUDGE TYPE		DEWATERING TOOL ALONE	SLG + DEWATERING TOOL
		NTU	"Filterability" index
CASE 4: Organic sludge Medium size municipal WWTP (50,000 PE) Dry Solids: 5 g/l Gravity draining table + Belt filter	<u>Test 1:</u> Gravity draining table alone	35	5
	<u>Test 2:</u> Gravity draining table + belt filter	35	5

SLUDGE TYPE		DEWATERING TOOL ALONE	SLG + DEWATERING TOOL
CASE 4: Organic sludge Medium size municipal WWTP (50,000 PE) Dry Solids: 5 g/l Gravity draining table + Belt filter	Thermotolerant Coliforms (MPN/ g DS)	520	4
	Salmonella / 10 g DS	< 3	< 3
	Enterovirus / 10 g DS	20	17

All of these analyses were performed by external laboratories.

6.6.3. Regulatory context

6.6.3.1. Developments in legislation in France and Europe

Regulations on sludge apply at European and national levels.

The standards are elaborated in respect with the different sludge destinations: composting, landfarming, landfill and incineration.

In all cases, sludge is classified under "waste" as laid down under European Directive 75/442/EEC of 15/7/1975.

6.6.3.2. Agricultural use

Landfarming in Europe

Certain limits were initially imposed under European Directive 86/278/EEC of 12/6/86 (modified on 2/12/88); these limit values related to concentration of heavy metals (Cd, Cr, Cu, Hg, Ni, Pb, Se and Zn) and certain organic compounds such as 7 PCBs (PolyChloroBiphenyls) and 3 PAHs (Polycyclic Aromatic Hydrocarbons).

This Directive also specified sludge spreading periods according to the agricultural use in question.

In the late 1990s, the landspreading of sludge from wastewater treatment plants was redefined by decree no. 97-1113 of 8/12/1997. This decree specified the following:

- (i) the producer of the sludge is held liable;
- (ii) safety aspects and agricultural benefit must be respected;
- (iii) lower permitted thresholds for metallic and organic elements (cf Table 4);
- (iv) the mixing of sludges from different sources is prohibited and each sludge must be controlled; and
- (v) sludge must be spread locally.

The table below describes the new thresholds imposed by the order of 8 January 1998 on trace elements and compounds:

Trace elements and compounds	Limit value in sludge mg/kgDS	Maximum accumulated flow rate over 10 years g/m²		
Heavy metals				
Cadmium (Cd)	20 (*)	0.03 (**)		
Chromium (Cr)	1,000	1.5		
Copper (Cu)	1,000	1.5		
Mercury (Hg)	10	0.015		
Nickel (Ni)	200	0.3		
Lead (Pb)	800	1.5		
Zinc (Zn)	3,000	4.5		
Cr + Cu + Ni + Zn	4,000	6		
Organic micropollutants				
	General use	Pasture land	General use	Pasture land
Totals of 7 main PCBs	0.8	0.8	1.2	1.2
Fluoranthene	5	4	7.5	6
Benzo(b)fluoranthene	2.5	2.5	4	4
	2	1.5	3	2

(*) 15 mg/kgDS from 1st January 2001 and 10 mg/kgDS from 1st January 2004

(**) 0.015 g/m² from 1st January 2001

Table 4 – New thresholds imposed by the order of 8 January 1998 on trace elements and compounds

Landfarming in France

The order of 8 January 1998 contains technical requirements applicable to sludge spreading on agricultural soils.

The implementation of a strict procedure including a prior study, the establishment of a spreading operations programme and a rigorous quality control of land-spreadable sludge is now mandatory.

Composting

In France WWTP* sludge composting is permitted in accordance with standard NF U 44-095 adopted in May 2002. Adherence to this standard was made mandatory by an order of 18 March 2004 relative to organic soil improvers.

Sludge compost is a product that must conform to certain standards, be controlled and made safe. In particular it must meet certain required limit values for concentrations of pathogenic organisms and heavy metals which are more stringent than the regulatory thresholds for landfarming.

In practice, composting centres only accept WWTP* sludge if these content criteria are met; they also require a minimum dryness of 20%.

Landfill

European Directive 99/31/EC on the landfill of waste sets the conditions of operation for landfill and the criteria for the waste. This Directive does not deal with WWTP* sludge. Nevertheless, this Directive requires that Member States takes measures in order to ensure that liquid waste is no longer accepted in landfill.

This means that WWTP* waste is only accepted if it has certain minimum dryness levels (30% in France).

Article 5 of the Directive sets the objectives for reducing the proportion of biodegradable municipal waste going to landfill. Consequently, landfill is today very strictly regulated and might further substantially decrease in practice.

In France, actual landfill is still used for:

- (i) sludge from large WWTPs* which have not managed to find agricultural recovery channels;
- (ii) sludge not eligible for landfarming; or
- (iii) sludge from small rural plants.

Incineration and co-incineration

European Directive 2000/76/EC on the incineration of waste sets the operational conditions, technical requirements and emission limit values for incineration plants which burn waste or mix waste with other fuels.

There is currently no specific legislation on the incineration of sludge. Sludge can therefore be destroyed by this means, although it should be made clear that incineration plants are subject to regulations in respect of their levels of emissions to the atmosphere.

In the world:

Many countries have put in place similar legislation based on concentrations of pollutants in sludge and its end use.

The trend is globally the same with an increasingly tough regulatory stance, especially on agricultural use, and more generally on dryness thresholds that sludge dewatering treatments must comply with prior to end destinations (landfarming, composting, landfill or incineration).

In the USA, in application of the Clean Water Act of 1987, the EPA imposed specific regulations for sludge: "*part 503: standards for the use or disposal of sewage sludge*" which regulates all possible sludge applications and uses in terms of sludge quality.

China, for example, is also starting to introduce legislation in this area (in 2009 with the "*Pollution and Control of treatment of Municipal Sludge*" document). Chinese regulations nevertheless require even higher dryness levels than regulations in most other countries:

- (i) 40% for landfill as opposed to 30% in France; and
- (ii) 50% for incineration alone

Other trends:

An increase in volumes of sludge generated by WWTPs* is apparent in most countries. This increase is due to the growth in world population and the global need to preserve water. By way of example, the European Directive on Urban Waste Water Treatment requires that Member States treat urban wastewater in every agglomeration of more than 2,000 inhabitants.

As a result, the quantity of WWTP* sludge generated in Europe increased by 43% between 1992 and 2008 even though not all Member States have yet managed to fully comply with the Directive.

Furthermore, many countries are now reducing landfarming options due to either a shortage of agricultural land or odour nuisance (for example in France, this is the case of Corsica).

These countries favour the sludge digestion process (sludge methanisation) for energy production and reduced sludge volumes. Following digestion, there is still sludge that is nevertheless produced, and it is the dryness level of said sludge that remains a key factor in its ultimate destination.

The UK is one of the most technologically advanced European countries in this field.

These various regulations all contribute to a tightening of requirements in general, and in terms of dryness in particular. This trend means we have to find new techniques for improved sludge dewatering and sludge quality.

6.6.4. Solution development axes for SLG solutions

6.6.4.1. Main Research & Development and industrial design programmes

Our SLG oriented Research & Development programmes relate to the study and understanding of the physico-chemical phenomena occurring inside the SLG reactor and are aimed at improving the SLG efficiency.

There are a number of avenues being explored such as computer simulation, design calculations, rheological measurements and characterisation of changes in sludge structure.

As with SOFHYS, OREGÉ uses simulation tools in particular for optimal SLG reactor design. In parallel, modifications of the reactor are continually being studied and tested for even better performances.

OREGÉ is also working on the design and industrialization of a SLG reactor capable of handling flows over 15 m³/h and up to 40 m³/h.

This development shall require 6 to 12 months and is by no means definitive but should enable OREGÉ to offer a wider range of SLG equipment for large WWTPs* as well as for the treatment of polluted sediment and sludge.

6.6.4.2. New applications

Studies on different types of sludge and combining the SLG process with separation tools

Orège is in the process of defining different standard treatment protocols for a number of sludge types commonly found in sludge treatment and dewatering applications. Orège thus intends to develop specific processes for sludge polluted by hydrocarbons, digested sludge, fermented sludge and sludge from the food & beverage industry.

The following areas are currently under analysis:

- (i) **treatment of polluted sludge:** here we need to precisely determine the effects of SLG where the requirement is removal of organic or metal pollution from the sludge.
The objective is to develop a SLG reactor enabling extraction of the oils from hydrocarbon-containing sludge.
- (ii) **treatment of digested sludge:** it has become necessary to elaborate a specific treatment protocol along with an SLG solution suitable for digested sludge. The chemical composition, dry solids content and rheology of this sludge type differentiate it from conventional biological sludge.
- (iii) **treatment of sludge from food & beverage industry processes:** the food & beverage industry is one of the largest producers of sludge. This sludge often presents characteristics very much associated with the nature of the raw materials used. It is therefore necessary to develop standard solutions for each sludge "family" and in particular for sludge from distillation, brewing and potato processing.

6.7. THE SLG SOLUTION

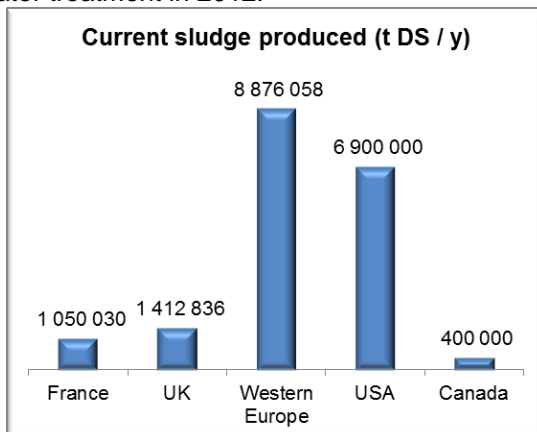
6.7.1. Context: management of organic sludge in the water cycle

Management of sludge from municipal and industrial wastewater treatment plants is one of today's major environmental, societal and economic issues. Up to 50% of the cost of water treatment and water pollution control can be attributed to sludge management and disposal¹³. This sludge-processing equipment market, estimated to be worth over USD 7.9 billion in 2011, is experiencing a rapid growth, due in particular to the following factors:

- (i) **economic:** the managing and treatment costs for sludge have continually increased over the past 20 years and bringing these costs down is a priority for local authorities and industrial companies. This cost reduction regards across the board to equipment investment, operating costs, energy costs and the cost of final disposal or recovery.
- (ii) **regulatory aspect:** the various regulations are being tightened up in most countries and we are seeing increasingly stringent requirements on management, treatment and disposal intended to protect our environment and our health.
- (iii) **environmental and societal:** sustainable development approaches and growing urbanisation are driving the sludge treatment market towards nuisance reduction strategies (odour, noise, physical footprint) and also towards sustainable and socially responsible management methods: recycling, alternatives to landfarming and incineration, and reduced CO₂ emissions.

¹³ Source GWI.

In Eastern Europe, around 10 million tonnes of dry solids (the dry mass in sludge) were produced by wastewater treatment in 2012.



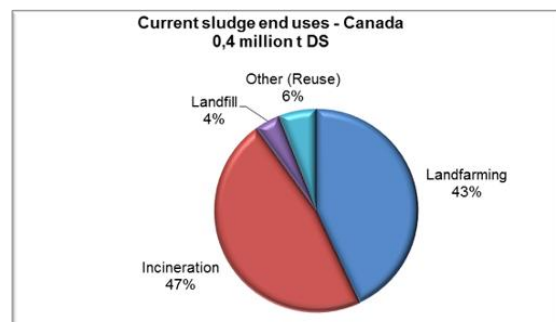
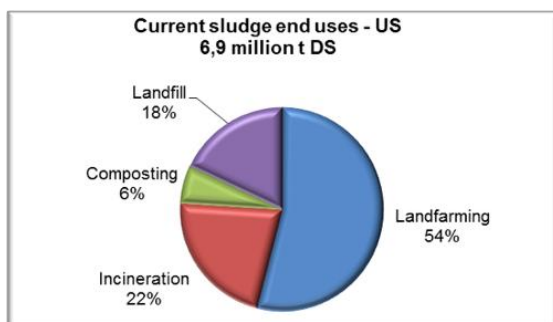
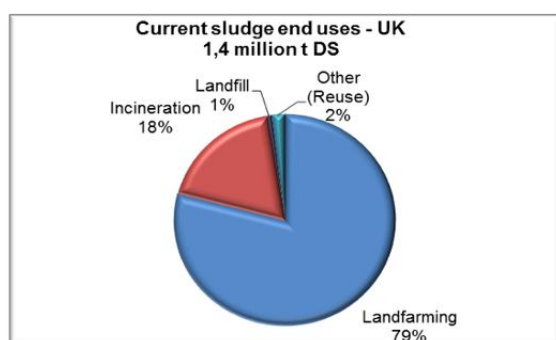
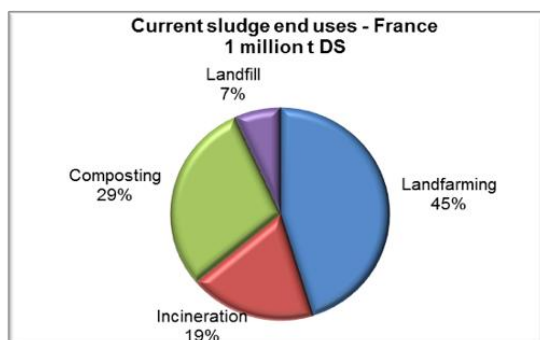
Production of sludge per year measured in tonnes of dry matter for different countries/continents

Source:

- France: Base de Données sur les Eaux Résiduaires Urbaines (urban wastewater database)
- UK: Defra / Amane Water Estimate
- Western Europe: "Environmental, economic and social impacts of the use of sewage sludge on land" report has been prepared by Milieu Ltd, WRc and RPA for the European Commission
- US and Canada: EPA database / Amane Water Estimate

Methods for sludge recovery and disposal vary depending on regions. The most widespread method is landfarming for economic and recovery reasons due to its related soil fertilizer effect.

Disposal methods by country are shown below (2010 data):



Source:

- France: Base de Données sur les Eaux Résiduaires Urbaines (urban wastewater database)
- UK: Defra / Amana Water Estimate
- Western Europe: "Environmental, economic and social impacts of the use of sewage sludge on land" report has been prepared by Milieu Ltd, WRc and RPA for the European Commission
- US and Canada: EPA database / Amana Water Estimate

Irrespective of the region and the distribution of sludge management methods, trends are similar:

- increased distances and costs involved in sludge transportation: thus in the UK, according to the Office of Fair Trading, more than 40% of sludge produced is transported an average distance of 50 kilometres;
- regulations made stricter with respect to:
 - sludge quality and volume; and
 - landfarming conditions aimed at reducing soil pollution risks and meeting growing quality requirements in agriculture.
- regulatory pressures aimed at eliminating incineration and landfill; and
- increased costs of disposal.

Disposal (Cost per tonne of dry solids)	France €	UK €	Western Europe €	USA \$
Incineration	379	342	374	510
Landfill site	305	273	300	479
Composting	370	331	365	693
Landfarming - liquid	194	174	193	503
Landfarming - dry	252	224	248	554

Faced with these requirements, many conventional sludge treatment processes and disposal methods have limited application in terms of cost effectiveness.

6.7.2. SLG: A unique value proposition

The SLG reactor is a technological breakthrough, offering unique performances.

It deals with the end properties of sludge and, combined with conventional dewatering technologies, OREGE considers that it delivers results not obtained by existing technologies.

The performances obtained offer immediate benefits:

- (i) a decrease of up to 60% in volumes of sludge to be transported and disposed of, leading to corresponding savings on treatment costs;
- (ii) reduced energy consumption of treatment ;
- (iii) reduced consumption of chemicals normally used in sludge treatment lines to improve water/sludge separation;
- (iv) aeration and stabilisation of sludge so reducing odour risk and avoiding additional treatment costs (for example, lime);
- (v) improved physico-chemical composition of sludge for easier recovery;
- (vi) improved quality of the water extracted from sludge treatment; and
- (vii) the possible removal of certain pollutants.

6.7.3. Easy integration into treatment lines

In sludge treatment lines SLG is generally positioned upstream of each thickening or dewatering unit and will significantly enhance efficiency and performance in terms of improved dryness.

View of a SLG mobile unit



Thanks to its compact size, the SLG is easy to integrate into existing treatment lines.

The work required for connection to a treatment line is simple.

The energy required in terms of electrical consumption is low.

Reagents are those used in dewatering operations and quantities consumed are reduced overall. Compact and transportable, this technology can be used in a number of contractual modes depending on customer needs: sale or leasing of fixed equipment, treatment service provision including technical assistance and maintenance, sale or leasing of mobile units.

6.7.4. Case study: treatment of polluted biological sludge from a WWTP* in the petrochemicals industry

Issue:

Many petrochemicals companies generate wastewater which they treat in an industrial WWTP*.

At the exit from the WWTP* biological sludge is generated. Due to its origin it naturally contains pollutants that are toxic for the environment.

Solution:

OREGE has recently set up a joint project with the Ortec group, a leading WWTP operator, involving installation of an SLG reactor upstream of the current dewatering tool used on an industrial site, with a belt filter. This involves use of the SLG to condition and pre-dewater thickened sludge with an SS* loading of 20 to 30 g/l.

In this case the SLG process deployed reduces the volume of sludge for incineration by an average half. This decrease in volume translates into savings on incineration costs and a significantly improved carbon footprint for the site.

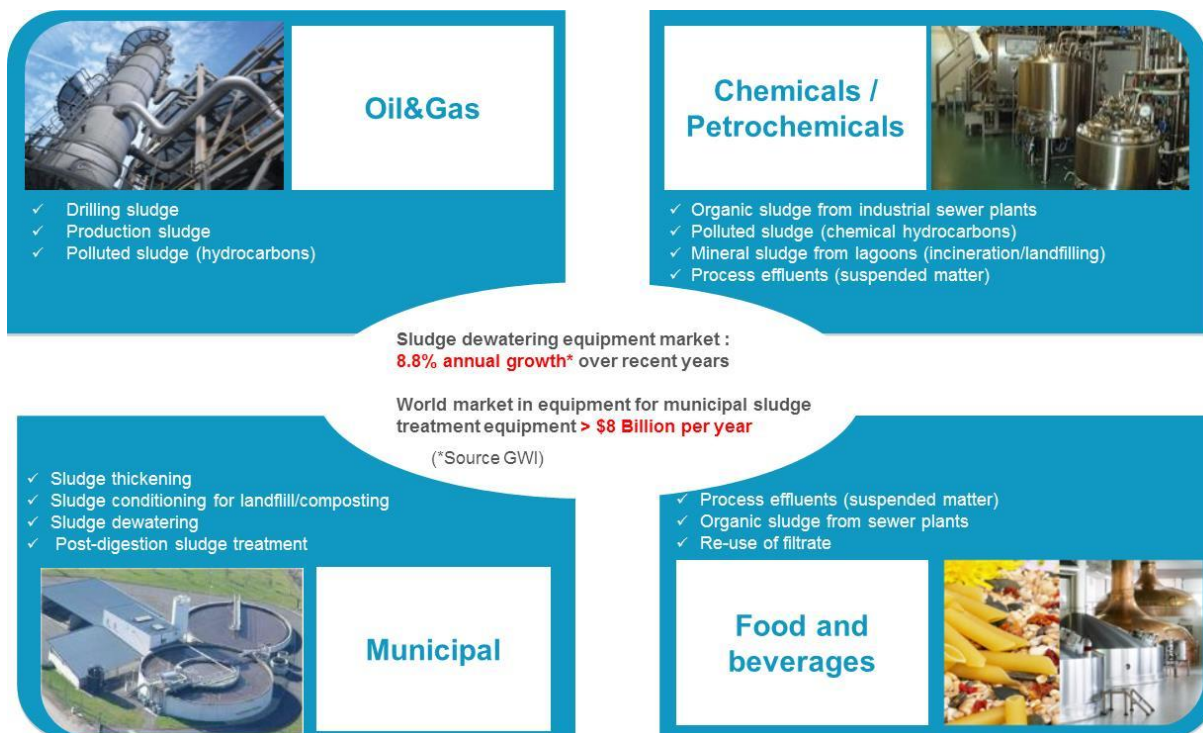
Sales generated by this solution are between 70,000 euros and 100,000 euros each year.

6.8. THE MARKET AND SLG COMPETING TECHNOLOGIES

SLG is a technological breakthrough in the sludge treatment equipment market.

This technology is positioned in the short term and over the next 18 months in a number of market segments:

- (i) process sludge and WWTP* sludge from refineries;
- (ii) process sludge and WWTP* sludge from chemicals and petrochemicals;
- (iii) municipal sludge; and
- (iv) process sludge and WWTP* sludge in the food & beverage industry.



Significant growth drivers also exist in other market segments, for example sludge generated by pulp & paper processes will also be treatable using SLG technology.

The world market for municipal and industrial sludge treatment equipment was worth USD 7.9 billion in 2011, and should exceed USD 12 billion in 2016.

2011 - USD million	World	France	UK	Germany	EU 15	USA
Incineration	1,109	71	37	125	373	151
Drying	1,677	108	57	189	564	229
Dewatering	5,145	330	174	579	1730	703
Annual growth rate	9%	10%	7%	-6%	7%	15%

Source: GWI

6.8.1. The municipal sludge treatment market

The municipal sludge treatment market is by far the largest.

Several key managers of the Company are specifically in charge of developing the SLG process on this market.

The world market for municipal sludge treatment equipment was estimated to be worth USD 7.1 billion in 2012 with an annual growth rate of 5.7%.

SLG is positioned in the largest segment that of thickening and dewatering equipment.

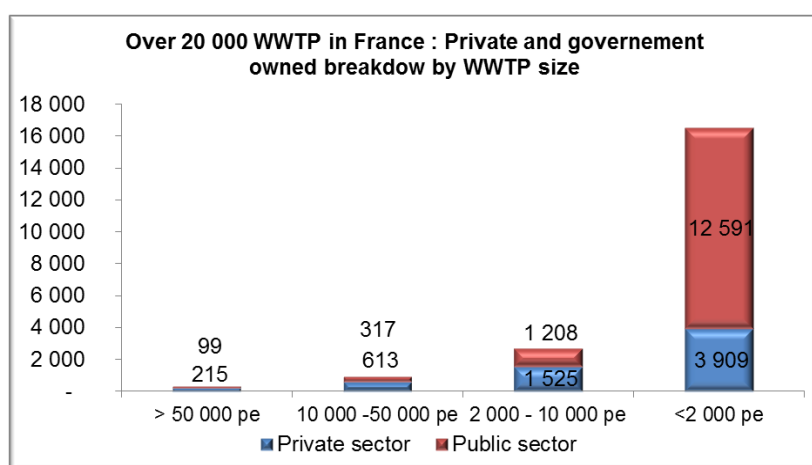
Despite a slowdown in public investment, Western Europe (EU-15) will remain the largest market, followed by North America.

Markets with existing wastewater treatment plants have the highest growth rates (new EU Members: 7%, Brazil: 14%, China: 8.5%).

6.8.1.1. France

The French market accounts for over 20,000 WWTPs*, a large number of which are of a small size.

1,457 plants generate 93% of the volume of sludge produced on the French territory.

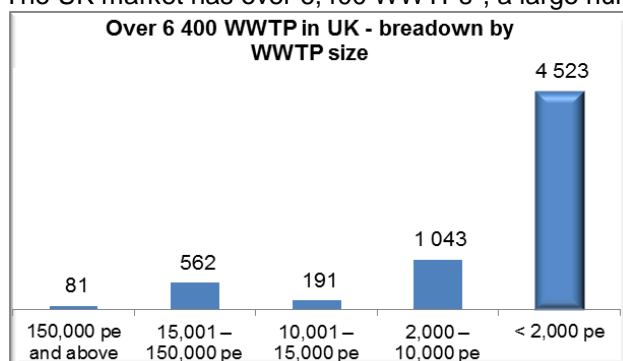


Source: *Fédération Professionnelle des Entreprises de l'Eau (FP2E)* (Federation of French Water Companies)

The operators market is divided between private and government owned operators who manage their plants with their own resources. The respective market shares are 45% for public sector management (mostly small WWTPs* apart from a few exceptions such as SIAAP serving the Paris agglomeration), 28% for the Veolia Group, 18% for the Suez Environnement Group and 8% for SAUR. These 3 private players operate on over 6,000 WWTPs*¹⁴.

6.8.1.2. United Kingdom

The UK market has over 6,400 WWTPs*, a large number of which are small in size.



¹⁴ Source GWI.

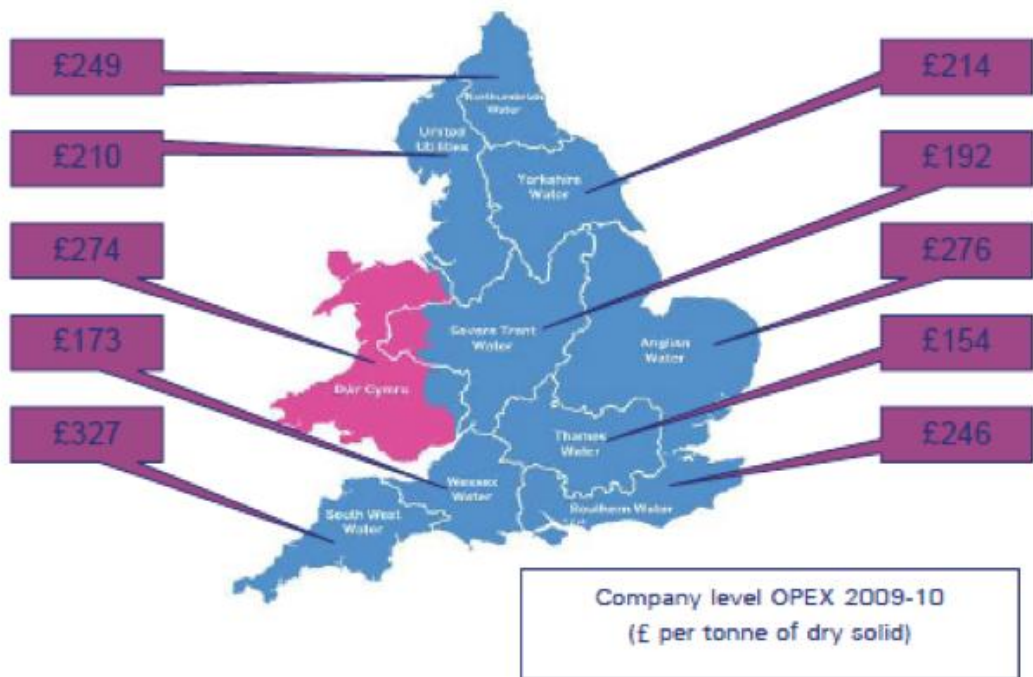
Source: *Fédération Professionnelle des Entreprises de l'Eau (FP2E)* (Federation of French Water Companies)

The wastewater treatment market is entirely private in England and Wales with 10 private companies (Anglian Water, Thames Water, South West Water, Southern Water, Wessex Water, United Utilities, Yorkshire Water, Affinity Water, Severn Trent Water and Northumbrian Water). However in Northern Ireland and Scotland wastewater treatment is managed by public sector companies.

The cost of sludge management is high, ranging from GBP 150 to 330 per tonne of dry solids due to very strict regulations and the preferred treatment method in England which is methanisation.

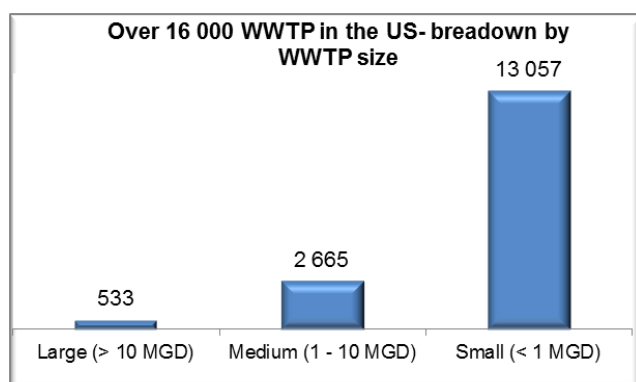
At the exit from wastewater treatment plants, the sludge is generally collected for transportation then treated by means of anaerobic digestion before being sent to landfarming. As a result, technologies targeting reduced volumes of sludge are particularly valuable.

In this context, SLG should be able to gain significant market shares:



OPEX levels 2009-2010 (price per tonne of dry solids in GBP)

6.8.1.3 United States



Source: *Fédération Professionnelle des Entreprises de l'Eau (FP2E)* (Federation of French Water Companies)
MGD: millions of gallons per day

This market is fragmented with 64% of the population served by publicly owned utility companies, 28% by small private systems and only 8% by private operators.

Landfarming is the most widely used management method. Sludge treatment is a major cost for WWTPs* and is continually increasing, mainly due to increasingly strict regulatory restrictions imposed by the EPA, increasing energy costs and a decrease in landfarming and storage channels.

6.8.2. The food & beverage market

The food & beverage industry is one of the largest markets with a total volume of USD 545 million in 2011 for sludge treatment and an annual growth rate above 5%.

Like local authorities, industrial companies are facing constantly increasingly stricter regulations along with increasing costs regarding sludge treatment and disposal. Industrial companies are also more concerned with their brand image and seek to are willing to implement better technologies that are more environmentally friendly.

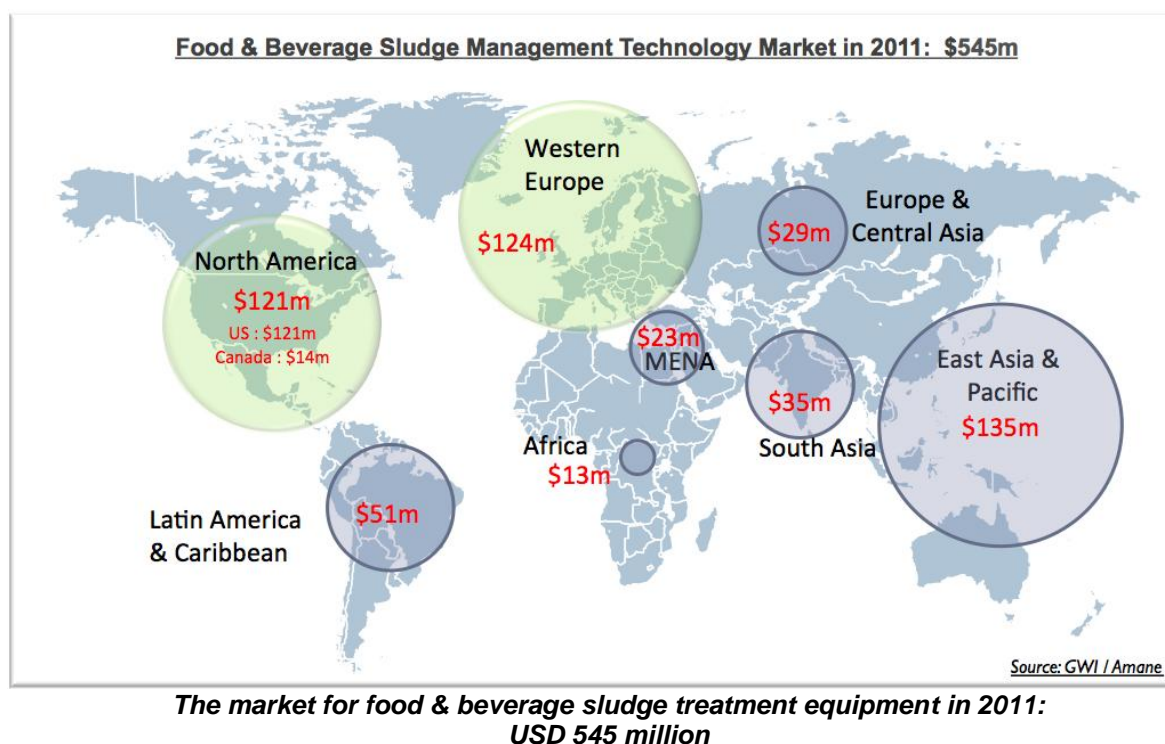
Certain sectors of the food & beverage industry are large consumers of water and thereby produce large quantities of sludge (process and WWTP* sludge). This sludge is of very organic character and has higher pollution loads (COD*) than municipal sludge.

Such sludge is deemed more difficult to dewater than municipal sludge, which makes the SLG an even more attractive option.

Market segment	Estimated value	Unit
Dairy products	3.6	kg dry solids / m ³ of milk processed
Soft drinks	1.6	kg dry solids / m ³ of soft drinks
Brewing	0.24	kg dry solids / hl of beer
Distilleries	0.22	kg dry solids / hl
Wines and spirits	1.8	kg dry solids / hl
Sugar industries	5	kg dry solids / hl
Potato industry	10.6	kg dry solids / tonne of potato processed

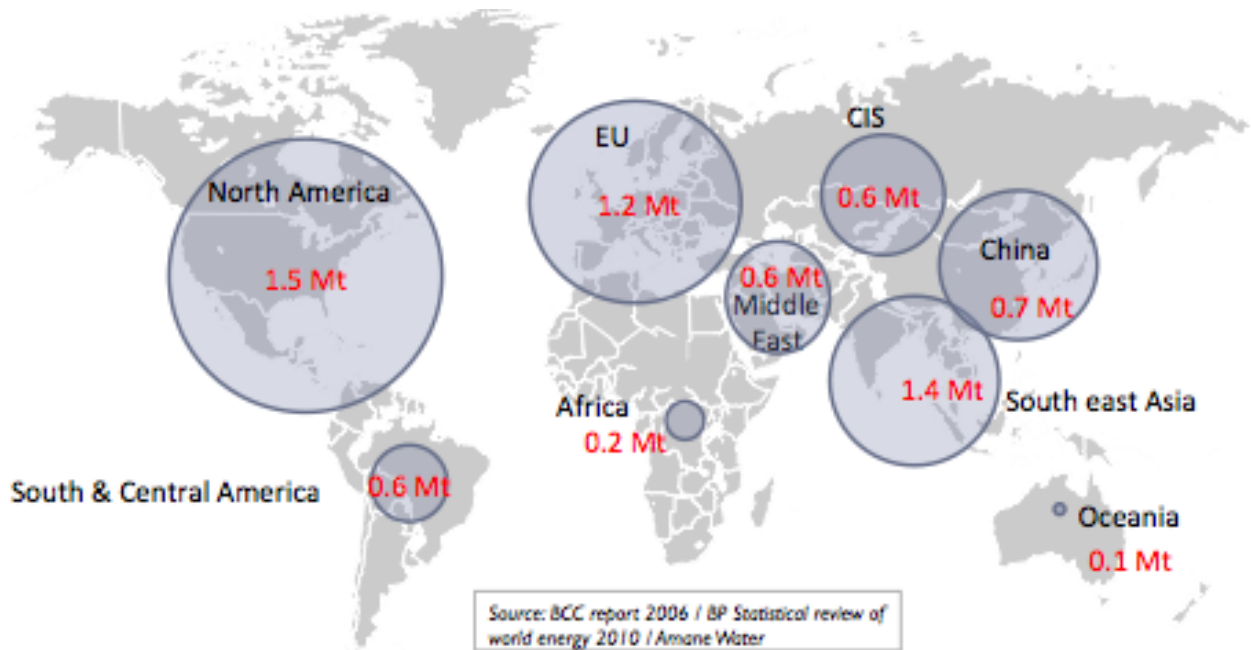
The priority applications for SLG are in areas where the largest quantities of sludge are produced: drinks, brewing, distilleries and alcohol production. By way of example, sludge production by one of the world's leading brewers is comparable to the sludge produced by a population of 13 million people.

In geographical terms, North America and Europe represent 45% of the total market.



6.8.3. Refineries

The oil & gas refining sector produces large quantities of polluted sludge. It is estimated that the average weight of sludge produced per barrel of refined crude oil is of 4 kg, 80% of which is polluted and must be incinerated. The total volume of sludge produced by this sector is 6.8 million tonnes per year.



Refinery sludge produced in millions of tonnes per year

The market for sludge treatment equipment was estimated to be worth USD 120 million in 2011 with an annual growth rate of 11%. The market shall be doubled by 2016. Transport and disposal costs are among the highest. The need for improvements in sludge dewatering is therefore a major issue.

6.8.4. Business opportunities

Looking beyond the short term target market segments, our high performing SLG technology also opens up considerable business opportunities in the following markets:

- (i) **biogas production:** dewatering of sludge from anaerobic digestion of agricultural or household waste;
- (ii) **paper & pulp industry** with very high sludge production volumes (1.5 x the food & beverage industry);

(iii) **oil & gas production:**

- (a) treatment and dewatering of sludge from drilling and production water in onshore and offshore oil & gas extraction;
- (b) breaking down emulsions present in storage tanks containing residue of refined fractions; and
- (c) treatment of storage lagoons for polluted oil & gas related sludge; and

(iv) **treatment of sludge and sediments from lagoons, watercourses and water bodies.**

OREGE has synthesised all SLG-related market opportunities in the following diagram.

	Target Markets	Orège Solution	Alternative solutions	SLG Performances
Municipal biological WWTPs (medium size & large)	<ul style="list-style-type: none"> 6,500 WWTPs in France > 1,000PE: 90% of biological sludge produced Even larger market in the UK and Germany 	<ul style="list-style-type: none"> Combined solution SLG unit with filter/centrifuge Sludge conditioning process for composting and landfarming and anaerobic digestion Payback < 3/4 years for WWTPs 	<ul style="list-style-type: none"> Thickeners, filters or centrifuges but inferior dewatering performance Dryers and methanisation (anaerobic digestion) 	<ul style="list-style-type: none"> Cost reduction > 50% Improved carbon footprint Quality of filtrate Odour free sludge Better sludge conditioning for landfarming and biogas production
Municipal biological WWTPs (small)	<ul style="list-style-type: none"> 5,000 small WWTPs in France without any on-site dewatering solution Even larger market in the UK/Germany 	<ul style="list-style-type: none"> Possibility of SLG mobile units shared between a number of small WWTPs + filtration system 	<ul style="list-style-type: none"> No <i>in situ</i> treatment Transportation of sludge to another equipped site 	<ul style="list-style-type: none"> Cost reduction > 50% Improved carbon footprint Quality of filtrate Odour free sludge Better sludge conditioning for landfarming and biogas production
Food & Beverage Biological WWTPs	<ul style="list-style-type: none"> Focus on the largest groups: <ul style="list-style-type: none"> Nestlé (500 factories) InBev Coca-Cola Diageo Carlsberg Mac Cain... 	<ul style="list-style-type: none"> Combined dewatering solution: SLG with filter/centrifuge SLG as single dewatering system with filtration system 	<ul style="list-style-type: none"> Thickeners, filters or centrifuges for dewatering No alternative as regards re-use of filtrate Chemical products for landfarming (odour removal) 	<ul style="list-style-type: none"> Cost reduction > 50% Improved carbon footprint Quality of filtrate Odour free sludge

6.8.5. Alternative treatment techniques

At present, very few technologies have been developed that allow the structure of sludge to be altered in order to facilitate the dewatering process and prepare recovery. Tests on technologies using ultrasound or electro-osmosis installed on a filter unit or cavitation have been conducted but, as far as the Company is aware of, it seems that these tests have not really resulted in industrial development of commercially available equipment.

The dewatering market is dominated by suppliers of conventional equipments: belt filter,

centrifuge, filter press.

The 2 world leaders in this area are Alfa Laval (turnover €3,485M) and Andritz (turnover €4,987M). In Europe, Huber, Degrémont Technologies and GE Water are also present.

SLG technology is not a direct competitor of said equipment but rather a complementary technology.

6.9. OREGÉ DEVELOPMENT STRATEGY

6.9.1. Two breakthrough proprietary technologies at the core of our development

Orège's mission is therefore to design, industrialize and market innovative solutions for the treatment of complex effluent and the conditioning and treatment of sludge, for local authorities and industrial companies.

Orège's key objective in the upcoming years is to leverage its two proprietary technologies, namely SOFHYS and SLG, not however excluding the design and development of other innovative technologies in the future.

As a first step, Orège intends to industrialize and market "standard products" for applications identified as the most important and essentially where our Company, taking into account estimated sales potential and level of maturity of the technologies in question, has the economic and technological advantages enabling it to promote them immediately.

For SOFHYS, these applications are essentially the following:

- (i) fixed or mobile units for the treatment of complex mixed effluent generated by sites storing hydrocarbons and/or various chemicals;
- (ii) fixed or mobile units for the pre-treatment of complex effluent generated by production units in chemicals/petrochemicals/refining/cosmetics/pharmaceutical sectors in a view of making them biodegradable and therefore treatable o biological WWTPs*;
- (iii) fixed or mobile units for tertiary or quaternary treatment, introduced after a treatment by a biological WWTP*, of this same effluent from chemicals/petrochemicals/refining/cosmetics/pharmaceutical production units in view of discharging effluent back into the natural environment in compliance with new regulations.

For SLG, the main applications currently identified are essentially the following:

- (i) conditioning and pre-dewatering of liquid organic sludge from municipal WWTPs*: in this case the SLG shall be inserted into the existing treatment chain;

- (ii) conditioning and pre-dewatering of liquid organic sludge from industrial WWTPs* (food & beverage and petrochemicals): in this case the SLG shall generally be inserted into the existing treatment chain;
- (iii) conditioning and dewatering of liquid organic sludge from small municipal WWTPs* via a mobile SLG unit, with a simple filtration tool (of the big bag holding frame or geotube type);
- (iv) conditioning and dewatering of organic sludge from municipal WWTPs* upstream of an anaerobic digestion process and/or downstream of methanisation.

In parallel to this approach of industrialization and marketing of standard equipment for the above mentioned applications, Orège intends to continue and increase the development of dedicated solutions based on the two technologies SOFHYS and SLG for other applications identified as particularly promising.

Numerous tests have already been conducted for these applications which have been successful in terms of results obtained. However, specific work regarding design and industrial scale development still need to be done by Orège.

This also applies to the development of crucial safety/security functions so that SOFHYS and SLG solutions can be marketed in especially restricted or secure environments, such as on Seveso sites.

Merely as an indication, the following applications are envisaged:

- (i) treatment of so called acidic effluent and "spent caustics" generated by most refineries and certain petrochemicals sites (applications for SOFHYS technology) (12 to 18 months development required);
- (ii) treatment of effluent from so called conventional oil & gas drilling, both onshore and offshore (12 to 18 months development required);
- (iii) conditioning and pre-dewatering of process sludge or sludge from WWTPs* termed 'fermented' sludge, mainly encountered in the food & beverage and pharmaceuticals sectors;
- (iv) conditioning and dewatering of digester concentrate;
- (v) conditioning and dewatering of sludge from drinking water production; and
- (vi) treatment and recovery of sludge with high hydrocarbon content (12 to 18 months development required).

6.9.2. Economic model

Orège proposes, principally, 3 distinct economic models:

6.9.2.1. The sale of fixed units or so called EPCM contracts

Orège designs, industrializes, constructs and commissions the global treatment equipment or solution. In this case, Orège is the contractor for the project.

This type of economic model applies to SOFHYS treatment units constructed on chemicals or petrochemicals sites.

The global contract represents an average investment for the customers concerned of between €1,500,000 and €3,000,000 (or more in the case of large units for complex applications) and is spread over a 12 to 15 month period from contract signature date to start of treatment line operation.

In general, return on investment is envisaged over a period of 3 to 4 years, which is relatively short if you compare the global cost of Orège treatment per m³ or per tonne treated (investment cost depreciated over economic lifetime plus gross operating cost), with the least costly of the alternative treatments or disposal methods deployed *in situ* and *ex situ* (such as transportation then incineration).

The treatment unit designed and constructed by Orège is in general subject to preventive or corrective maintenance (usually levels 2/3), and an exclusive supply contract for certain consumables and/or key components (electrodes for SOFHYS) is put in place.

Orège offers its customers the option of operation of the fixed units by Orège personnel if they are located in France or nearby European countries where the legislative environment is close to the French framework (Belgium and Switzerland in particular).

For future projects in English speaking countries (UK, USA, Canada) and Germany, Orège contemplates deploying its units in close partnerships with companies providing comprehensive services including engineering, construction and commissioning of such treatment units in the countries concerned.

A number of partners have already been identified for the UK and Germany and discussions began as from 2012, but at present have not yet been "monetized".

6.9.2.2. Sale of equipment

Orège designs, industrialises and markets "standard" equipment for both its SOFHYS and its SLG technology.

By definition, this equipment is designed to be mobile, but this does not exclude the possibility of it being installed and operated as fixed units over a long period on a single site.

Thus, the SLG unit can easily be transported in a suitably equipped trailer towed by a small utility vehicle.

The SOFHYS unit will be able to be containerised and is transportable in 2 or 3 containers on a flatbed semi-trailer.

The cost of this equipment, once sold, can be recouped by the Company's customers over a short period, typically 3 or 4 years or even 2 to 3 years in certain cases, in particular in the case of certain SLG applications.

Orège does not intend to offer operation services for the equipment sold, except in exceptional cases in particular short term. On the other hand, our customers will always be offered an after sales contract comprising maintenance, supply of key components and treatment protocol optimisation.

The SOFHYS containerised units should be available in their new fully automated version from third quarter 2013, and will represent an investment of around €500,000 to €1,000,000 for our customers.

The SLG equipment already available represents an investment of between €70,000 and €150,000 excluding engineering design studies and other industrial re-working required for full automation or increased safety/security features for operation on Seveso sites.

As with the fixed units, Orège will offer its customers installation, commissioning, maintenance and other process optimization services.

These services will be performed by Orège directly, or by its preferred partner in particular if the equipment is sold and installed abroad.

Orège will, for its equipment sold, be in a position to offer *ad hoc* design studies to take account of main project-specific requirements and data for key criteria such as:

- (i) entry flow rates and periodic fluctuations in production of effluent or sludge;
- (ii) possible discharge to the natural environment or otherwise and discharge criteria;
- (iii) site operating conditions;
- (iv) required levels of automation;
- (v) the need to integrate the equipment into an existing treatment chain;
- (vi) effluent breakdown targets (COD*, BOD*, SS*) or sludge conditioning and dewatering targets, etc.

6.9.2.3. leasing of equipment

Orège contemplates creating a fleet of SOFHYS mobile units and a fleet of SLG mobile units.

These units will then be offered to our customers for leasing over periods of 2 to 3 years regarding the SLG, and 3 to 5 years for SOFHYS. Purchase options could be offered at the end of the leasing period.

Orège considers this economic model to be especially advantageous both for itself and for its customers, for the following reasons:

- (i) customers are able to make decisions on using Orège solutions much more quickly than for a capital investment process;
- (ii) Orège and its customers can benefit from optimised efficiency after a year for example through replacement of the initial equipment with new generation SOFHYS or SLG equipment; and
- (iii) Orège can leverage feedback to a much greater extent than if the equipment had been sold, so enabling faster optimal development of its product ranges.

This leasing option will only be offered for equipment considered standard by OREGÉ and where the unit value in terms of equivalent sale price is less than 1 million euros.

A part of the contemplated share capital increase will be allocated to building up these fleets of units intended to be offered under leasing contracts.

6.9.3. Industrialisation strategy

It is not Orège's intention to manufacture its equipment and other fixed treatment units sold. Orège intends to maintain its industrialisation strategy on the basis of design and development of solutions based around its two proprietary technologies SOFHYS and SLG.

In the context of setting up EPCM type contracts, Orège intends primarily to subcontract manufacture of its reactors and construction of units to local companies, in particular those recommended by our customers.

Geographical proximity and historical customer relations between its customers and supplier-subcontractors seem undeniable advantages for Orège.

This route that shall be most frequently preferred does not exclude the possibility for Orège to issue an invitation to tender among subcontractors for each large batch.

Industrialisation of certain sensitive or strategic components will continue to be performed by a few

"partner" service providers.

A number of close partnerships have thus already been set up with French based companies for the manufacture of SOFHYS and SLG reactors and also for containerized mobile equipment.

Orège currently has three ongoing partnerships and several others in the pipeline.

Orège also intends in the near future to set up further close partnerships abroad (OEM contracts or similar) for the manufacture and assembly of its mobile equipment, with known players recognised for their qualitative and quantitative capacity to produce dedicated effluent and sludge treatment solutions and equipment. Three companies have already expressed a keen interest, located respectively in the UK, Germany and Italy.

Orège also intends to continue work on optimising the design of its "base" technologies and equipment and does not envisage subcontracting this fundamental work to external partners.

Thus in the short term, and for both its proprietary technologies, Orège will work on the following:

- (i) optimisation of hydraulic efficiency;
- (ii) optimisation of electrochemical efficiency (SOFHYS) and physico-chemical efficiency (SOFHYS and SLG);
- (iii) selection of possible alternative materials for its reactors (composite materials, plastics, vs steel/stainless steel);
- (iv) improvement, design and layout of our solutions in containers (SOFHYS) and on skid trailers (mobile SLG); and
- (v) optimising our choice of the main "basic" equipment required for the design and manufacture of our technological solutions: pumps, valves, flocculants, motors, compressors, etc.

6.9.4. International strategy

OREGE's ambition is to develop its activity at an international level starting in 2013. The Company considers thereby that in the short term a very significant proportion of its sales should be generated outside of France.

Over the next 18 months OREGE will focus its efforts on a number of countries/zones with the greatest apparent sales potential: UK / Benelux / Germany / USA / Canada and Scandinavia.

Subsequently OREGE will work on business development in Asia, India and Brazil, once strong foundations have proven successful and sustainable in Western Europe and North America.

By way of example, OREGÉ summarizes below the goals for the SLG technology in the UK zone for municipal applications:

- i. Water services and water treatment services in England and Wales are all private: there are 10 companies operating in this field: Anglian, Thames, Yorkshire, Northumbrian, United Utilities, etc.;
- ii. Anaerobic digestion is the most widespread treatment method for WWTP sludge in England (approx. 200 centres);
- iii. Use of incinerators is a major concern in the UK and WWTP sludge is mainly re-used in agriculture (80%) after anaerobic digestion;
- iv. Every 5 years, water sector companies prepare an Asset Management Plan (AMP) setting out proposed spending. AMP5 (2015-2020) is currently being prepared;
- v. Contracts based on shared profits are considered advantageous in the short term;
- vi. Main positioning of Orège SLG technology:
 - SLG alone with a filtration system locally on WWTP in order to reduce sludge transport costs;
 - SLG positioned as a pre-dewatering/conditioning technology on anaerobic digestion site: reduction in sludge volume and improved energy efficiency;
 - SLG positioned with companies for post-dewatering/conditioning following anaerobic digestion and prior to landfarming (odour reduction).
- vii. Direct approach by Orège to Water Companies: remunerated tests should be put in place with three of these companies in second half 2013.
- viii. Sale and maintenance of equipment will be operated via partnerships (framework contracts), for example with Black & Veatch, Aecom, Biwater, Ovivo, Veolia, Grontmij and/or OEM suppliers.

6.9.5. Portfolio of ongoing projects

At the date of this base document, Orège's portfolio of ongoing projects includes more than 60 projects, as opposed to less than 10 projects one year ago at the same date.

According to Orège, a project is considered "ongoing" when:

- (i) one or more meetings with the customer or prospective customer have already occurred on site, with technical and economic decision makers;
- (ii) the customer's need is clearly defined;
- (iii) technical and economic feasibility of sale of a SOFHYS or SLG unit or equipment has been validated by OREGÉ; and
- (iv) the customer or prospective customer possesses the necessary investment and/or operation budget and the price likely to be proposed by OREGÉ appears to be in line with its expectations.

In the municipal sector, over 30 projects are in the design study phase for the sale or leasing of SLG equipment.

The majority of these projects will be subject to prior validation through conducting on-site tests.

In case of SLG equipment, these tests last about 2 to 4 weeks and are systematically charged by OREGE who keeps the related remuneration in any case; at this stage of the SLG commercial development, these tests remain absolutely necessary for most projects. On completion of these tests and once they are considered conclusive, a negotiation period generally lasting 1 to 2 months ensues, and then, once the contract is concluded, this is followed by a 2 month manufacturing period.

In the case of SOFHYS equipment, these tests lasting around 4 to 6 weeks are also charged for as a matter of course, and this remuneration also remains the property of OREGE. On completion of these tests and once they are considered conclusive, a negotiation period generally lasting 1 to 2 months ensues, and then, once the contract is concluded, this is followed by a 3 month manufacturing period.

In the industrial sector, Orège is currently working on more than 20 projects, mainly in the chemicals, petrochemicals and food & beverage sectors, and these projects are relative to both SOFHYS and SLG technologies.

Several of these projects are at an international level: UK and Belgium. Other projects have been identified in Germany, Holland, the USA and Canada, but as it is unlikely that these will be deployed by OREGE within 6 months, these projects are not considered as "ongoing" at this stage.

Several of the ongoing projects could lead to the sale or leasing of more than 10 SLG units for each project concerned. In parallel, Orège is currently working on the possible conclusion of a number of framework contracts of varying size with several leading European and international water treatment groups.

The purpose of these contracts would be to develop sales of effluent and sludge treatment equipment.

These framework agreements could, if appropriate, comprise preferential licensing agreements, particularly for so called "*niche*" applications or in geographical areas where Orège does not plan to directly market its solutions and equipment.

Setting up these framework agreements in the short term could enable Orège to significantly increase its sales of SOFHYS and SLG equipment, but without this entailing any significant increase in its workforce, especially in terms of its international development.

Based on its present knowledge, OREGE considers that the impact on sales for this portfolio of ongoing projects, in terms of sales likely to be generated over the next three years for the sale of units/equipment, and over the next five years for revenue generated by these sales, amounts to over 70 million euros.

6.9.6. Milestones

The Company anticipates industrial and commercial development after a five year period (i.e. by end 2018) with an installed base as follows:

- 20 SOFHYS EPCM fixed units
- 40 SOFHYS containerised mobile units
- 700 to 1,000 SLG equipment/units

7. ORGANISATION CHART

7.1 LEGAL STRUCTURE

Not applicable; the Company has no subsidiaries or participating interests.

7.2 LIST OF SUBSIDIARIES, BRANCHES AND SECONDARY ESTABLISHMENTS

As at the registration date of this registration document, the Company has no subsidiaries or branches.

The Company has a secondary establishment, located in Aix-en-Provence, which is described more fully in subsection 8.1.1 of this registration document.

7.3 MAIN INTRA-GROUP FLOWS

Not applicable.

8 TANGIBLE FIXED ASSETS

8.1 REAL ESTATE AND EQUIPMENT

8.1.1 Rented real estate

The Company does not own any property outright.

The Company rents the buildings it uses for its business operations, all of which are listed and described below:

Registered office in Jouy-en-Josas: located at 1, rue Pierre Vaudenay, 78350 Jouy-en-Josas, the Company's registered office is rented under a special lease agreement signed with the owner, Groupe Finot, on 1 January 2013.

Under the aforementioned lease, Groupe Finot rents office premises on two floors with a total surface area of approximately 454 m² to the Company for a one-year period from 1 January 2013 to 31 December 2013. The lease is renewable by mutual agreement (and may be transformed into a so-called "3-6-9" lease governed by the rules applying to commercial leases). The Company pays annual rent of €65,770, excluding taxes.

Secondary establishment in Aix-en-Provence: located at Techindus Bât. C, 645, rue Mayor de Montricher, 13854 Aix-en-Provence, the Company rents its secondary establishment under a commercial lease signed with SCI Aix Tech'Indus on 1 July 2008.

Under the aforementioned lease, the owner, SCI Aix Tech'Indus, agreed to rent the property to the Company for a nine-year period (so-called "3-6-9" lease governed by the rules applying to commercial leases), from 1 July 2008 to 30 June 2017. The lease may be renewed for successive nine-year periods by mutual agreement. It covers office premises with a surface area of 536 m², and the initial annual rent was €43,740, excluding taxes (the Company paid rent of €46,269, excluding taxes, for the contractual year ended on 30 June 2012).

Premises in Vitrolles: the Company rents two storage units at 1161, avenue Jean Monnet, 13127 Vitrolles, under a short-term lease signed with CCIC SA on 17 June 2011.

Under the aforementioned lease, CCIC SA agreed to rent two business premises to the Company for a period of 23 months from 4 July 2011 to 3 June 2013. They have a surface area of approximately 145 m² and 90 m², respectively, and the total monthly rent is €1,354, excluding taxes.

8.1.2 Other tangible fixed assets

The Company's major tangible fixed assets include the SOFHYS units (mobile test or service units and fixed units leased to customers), SLG units, electrodes used for the SOFHYS units, laboratory equipment, equipment/tools, some vehicles, office equipment and fittings for the test platform.

The changes in the main tangible fixed assets held by the Company are described in Note 5 to the financial statements as at 31 December 2012, included in subsection 20.1.1 of this registration document.

ENVIRONMENTAL ISSUES

Notwithstanding the content of subsection 4.1.9 (Risks relating to third-party liability and environmental liability) of this registration document, the nature of the Company's activities does not pose a significant threat to the environment.

9 OPERATING AND FINANCIAL REVIEW

For the purposes of this registration document, the Company, which has no subsidiaries or equity interests, has prepared, in addition to its French GAAP-compliant annual reports, corporate financial statements restated in accordance with the IFRS framework (as adopted in the European Union) for 2012 and 2011. This is in order to present accounting data that are comparable with most companies in its sector, particularly those listed on a regulated market.

The notes to the accounts presented below refer exclusively to the IFRS framework-compliant financial statements included in section 20.1 of this registration document.

9.1 THE COMPANY'S BUSINESS

Orège designs, develops, industrialises and sells solutions enabling industrial companies and local authorities to respond better to new regulatory and environmental requirements and to reduce their effluent and sludge treatment costs.

For this purpose, Orège uses two particularly innovative patented disruptive technologies:

- (i) **SOFHYS** - the technology used to treat complex, toxic or non-biodegradable industrial effluent; and
- (ii) **SLG** - the conditioning and pre-treatment solution for dewatering municipal and industrial sludge.

From its creation in 2009, Orège focused on the design and development of its two technologies, conducting extensive research and development during that period.

From 2010, Orège moved on to the industrial development phase of its two tools.

Since 2012, the Company has focused on equipping its first customer sites and on commercial roll-out in France and abroad.

More details can be found in section 6 of this registration document.

9.2 RESEARCH AND DEVELOPMENT

Orège's expertise currently resides in two innovative technologies:

- (i) **SOFHYS**: a technology that notably combines an advanced oxidation process with hydrodynamic functions. This innovative tool enables the treatment of complex mixtures, particularly in salty environments, and high dissolved COD, as well as the cracking of hard COD; and

- (ii) **SLG (solid, liquid, gas):** a conditioning and pre-treatment/treatment system that separates the solid, liquid and gas phases of sludge by breaking down the colloids. It makes the downstream dewatering treatment considerably more efficient.

Orège has several technology development programmes on its technological platform.

The aim of these programmes is to improve our technologies, adapt them to the needs of our customers or develop new technologies that Orège could patent.

9.3 PRO FORMA FINANCIAL STATEMENTS

None.

9.4 MAIN FACTORS INFLUENCING OPERATIONS AND RESULTS

At the current stage of the Company's development, the main factors influencing its operations and results are:

- (i) the effort dedicated to developing the two innovative technologies and implementing industry standards. A cumulative total of €9.7 million of research and development costs had been capitalised as at 31 December 2012;
- (ii) the existence of tax and labour incentives for companies conducting technical and scientific research: Orège had *Jeune Entreprise Innovante* [Young Innovative Company] status between 2005 and 2012. This allowed it to benefit from lower social security charges for employees dedicated mainly to R&D projects, recognised as a reduction in personnel expense and estimated at around €1.1 million up to 31 December 2012;
- (iii) the regular allocation of securities giving access to the Company's capital to employees and certain corporate officers. The Company's results are affected by the corresponding expense, which is recognised in accordance with the IFRS framework in the cumulative amount of €888,000 as at 31 December 2012.

9.5 COMPARISON OVER TWO YEARS

9.5.1 Breakdown of operating income

9.5.1.1 Revenue

The Company generated revenue of €1,259,614 in the year ended 31 December 2011 and €1,053,800 in the year to 31 December 2012.

This revenue derived essentially from Orège's two EPCM contracts, under the terms of which Orège designs, industrialises, builds and implements the overall treatment solution or equipment. Orège is the lead contractor for the two projects in question. The industrial maintenance and operating stage of

these two contracts lasts between three and five years. The total revenue from the contracts will be at least €7.5 million (of which €3.2 million had been generated as at 30 April 2013), and the related industrial cost price will be around €4.5 million.

The Company's first service contract for the treatment of industrial effluent with a mobile SOFHYS unit enabled it to invoice and receive an amount of €58,173, exclusive of tax, during 2012.

The revenue and gross profit for the two years under review are as follows:

	31/12/2012	31/12/2011
Revenue	1,053,800	1,259,614
Cost of sales	675,475	1,180,352
Gross profit	378,325	79,262

As described in section 20, in accordance with IAS 11, these EPCM contracts are considered as construction contracts, i.e. contracts specifically negotiated for the construction of an asset or a group of assets that are interrelated or interdependent in terms of design, technology and function, or purpose or use.

Under the terms of these contracts, the part of the treatment line involving SOFHYS reactors, i.e. the high-added-value part, is leased to the customer once the overall line is finally accepted.

This part of the contract generates more profit than the sale of the part of the treatment line that does not involve SOFHYS reactors.

The revenue and gross profit generated by the sale of the part of the treatment line that does not involve SOFHYS reactors are recognised based on the stage of the contract. As at the date of this registration document, all contractual revenue for the research, design and manufacture of the two lines (excluding the parts leased with an option to buy) had been invoiced and received.

During the year ended 31 December 2011, the majority of revenue (and therefore gross profit) arose from a significant portion of the sale of the part of treatment lines that does not involve SOFHYS reactors.

The leasing of the SOFHYS part of a treatment line as well as the operating invoicing of this line began in the year ended 31 December 2012, which explains the higher gross margin compared with the previous year.

9.5.2 Operating expense

9.5.2.1 Research and development expenditure

In accordance with the IFRS framework, and specifically with IAS 38, research and development costs are recognised in intangible assets provided that the Company can demonstrate all of the following:

- (i) the technical feasibility necessary in order to complete the development project;
- (ii) the Company's intention to complete the project and commission it;
- (iii) the Company's ability to commission the intangible asset;
- (iv) the demonstration of the probability of future economic benefits attached to the intangible asset
- (v) the availability of technical, financial and other resources to complete the project; and
- (vi) the reliable measure of the development expenditure.

The Company considers that these six criteria pursuant to IAS 38 have been met, and it therefore recognises development expenditure in intangible assets.

Research and development costs for the year ended 31 December 2012 related to projects that were not ready to be used or sold because they were not in a situation to be exploited in the manner envisaged by the Company's management.

These assets were therefore subjected to an impairment test pursuant to IAS 36.

The recoverable value of these assets is determined using cash flows estimated generally on the basis of five-year budgets or plans.

Beyond this five-year period, cash flows are extrapolated using a constant or decreasing growth rate and discounted using long-term, post-tax market rates, reflecting market estimates of the time value of money and the specific risks of SOFHYS and SLG processes.

The resulting recoverable value is subjected to sensitivity analysis of the discount rate and the growth rate to infinity used.

The research tax credit (Crédit d'impôt recherche - CIR), which is recognised as a tax receivable in the Company's financial statements, is treated as a grant pursuant to IAS 20.

The CIR refers mainly to development costs that the Company recognises in intangible assets and tangible fixed assets; it is therefore recognised in deferred income (liabilities) to the extent that the assets it covers are not amortised or depreciated.

It is then recorded on the income statement in line with the amortisation or depreciation schedule of the assets concerned.

The operating expense recognised in the Company's the IFRS framework-compliant financial statements is therefore net of the research and development costs recognised in tangible fixed assets.

The operating expense for the two years under review, before and after recognition of research and development costs in tangible fixed assets, break down as follows:

31/12/2011	Operating expense before capitalised R&D costs	Capitalised R&D costs	Operating expense after capitalised R&D costs
Staff costs	3,264,410	-2,058,668	1,205,742
Consultancy and other fees	175,540	-70,663	104,878
Property charges	256,326	-162,605	93,720
Travel/transport	437,540	-300,886	136,655
Other	313,082	-171,481	141,601
	4,446,899	-2,764,303	1,682,596

31/12/2012	Operating expense before capitalised R&D costs	Capitalised R&D costs	Operating expense after capitalised R&D costs
Staff costs	2,922,946	-1,889,958	1,032,988
Consultancy and other fees	482,872	-17,263	465,609
Property charges	258,648	-180,308	78,340
Travel/transport	495,660	-339,932	155,727
Other	375,396	-203,286	172,110
	4,535,522	-2,630,747	1,904,775

The fall in personnel expense during the year ended 31 December 2012 is due mainly to higher exemption rates for social security contributions paid by firms with Young Innovative Company status.

With a view to developing its business, the Company conducted extensive market research with specialist consultants in the year ended 31 December 2012.

9.5.3 Breakdown of net profit

9.5.3.1 Financial income

Financial income amounted to -€3,091 in 2011 and -€114,062 in 2012.

This item essentially comprises interest on bank loans and other financial debt.

The change in financial income over the period is attributable mainly to the change in financial debt, especially bank loans to finance investment in tangible fixed assets and financing of €1,724,000 from OSEO following the assignment of CIR receivables for 2010 and 2011, as described in subsection 4.5.3 of this registration document.

9.5.3.2 Deferred taxes

Deferred taxes arise from any temporary difference resulting from the difference between the tax base and the carrying amount of the assets and liabilities included in the financial statements.

The main temporary differences relate to tax loss carryforwards.

Deferred taxes are calculated based on the tax rates enshrined in law at the reporting date.

Based on current legislation, the Company had tax losses in France which can be carried forward indefinitely amounting to €10,106,836 at 31 December 2012 (€6,847,940 at 31 December 2011).

9.5.3.3 Earnings per share

Earnings per share issued (weighted average number of shares outstanding during the year) were a loss of €0.18 for the year ended 31 December 2012 and a loss of €0.19 for the previous year.

9.6 ANALYSIS OF THE STATEMENT OF FINANCIAL POSITION

9.6.1 Non-current assets

Non-current assets totalled €14,942,624 at 31 December 2012 and €11,084,959 at 31 December 2011. They can be broken down as follows:

ASSETS	Notes	31/12/2012	31/12/2011
Non-current assets			
Net intangible assets	4	9,739,645	7,097,467
Net tangible fixed assets	5	1,587,702	1,457,715
Other non-current assets	6	35,872	21,528
Deferred tax assets		3,579,405	2,508,249
TOTAL NON-CURRENT ASSETS		14,942,624	11,084,959

These non-current assets comprise non-current financial assets, intangible assets and tangible fixed assets. The increase in non-current assets is attributable mainly to the rise in net intangible assets (primarily capitalised research and development costs) and in deferred tax assets (mainly relating to tax loss carryforwards).

9.6.2 Current assets

This item includes the Company's cash, inventories, trade receivables, other receivables and CIR receivables. Current assets totalled €5,033,261 at 31 December 2012 and €6,213,195 a year earlier. They can be broken down as follows:

Current assets	Notes	31/12/2012	31/12/2011
Inventories and work in progress		541,922	693,501
Trade receivables and related accounts	7	125,346	575,344
Research tax credit receivables	7	3,404,161	2,235,919
Other current assets	7	910,167	1,198,236
Cash and cash equivalents	8	51,664	1,510,195
TOTAL CURRENT ASSETS		5,033,261	6,213,195

The Company's cash and cash equivalents funded negative net cash flows from operating and investment activities.

As mentioned in subsection 4.5.3 (Risks associated with research tax credit), the Company is yet to be paid its CIR receivables for 2010 and 2011, which explains the increase in CIR receivables between the end of 2011 and the end of 2012.

9.6.3 Shareholders' equity

The net change in the Company's shareholders' equity is due essentially to recognition of the annual losses in 2011 and 2012, incurred as a result of efforts made to develop the two disruptive technologies and to implement industry standards.

9.6.4 Non-current liabilities

These can be broken down as follows:

Non-current liabilities	Notes	31/12/2012	31/12/2011
Borrowings	10	941,810	1,269,182
Long-term financial debt		0	0
Provisions for retirement and other employee benefits	11	23,320	10,836
Deferred tax liabilities		698,664	346,006
Other non-current liabilities and provisions		0	0
TOTAL NON-CURRENT LIABILITIES		1,663,794	1,626,024

They essentially comprise bank loans, repayable grants from OSEO and deferred tax liabilities.

The Company received a repayable advance of €400,000 in 2009 and 2010.

The contract provides for quarterly repayments over three years starting in March 2013:

- (i) 2013: four quarterly repayments of €25,000 each.
- (ii) 2014 and 2015: four quarterly repayments of €37,500 each.

9.6.5 Current liabilities

This item includes deferred CIR income, short-term third-party liabilities, short-term financial debt and liabilities to employees and social security bodies. Current liabilities as at 31 December 2012 and 31 December 2011 can be broken down as follows:

Current liabilities	Notes	31/12/2012	31/12/2011
Borrowings and current banking facilities	10	2,494,001	246,277
Short-term financial debt		1,329,994	13,946
Trade payables	12	993,977	1,142,011
Current tax liabilities	12	591,606	797,593
Other current liabilities	12	5,393,253	4,471,135
TOTAL CURRENT LIABILITIES		10,802,832	6,670,962

The increase from €6,670,962 at 31 December 2011 to €10,802,832 a year later is attributable mainly to: (i) an increase in bank and OSEO financing; (ii) a bridge loan from a major shareholder (see section 10.2); and (iii) higher deferred CIR income, which totalled €4,681,277 at 31 December 2012.

10 LIQUIDITY AND CAPITAL RESOURCES

Please refer to section 9 above.

Please also see section 20.1 (consolidated statement of cash flows and statement of changes in shareholders' equity) and subsection 4.5.2 ("Liquidity risk") of this registration document.

Please also see notes 8 and 9 to the financial statements for the year ended 31 December 2012.

11 RESEARCH AND DEVELOPMENT, PATENTS, LICENSES, TRADEMARKS AND DOMAIN NAMES

The commercial success of the Company is closely linked to its ability to protect its technologies, solutions and the resulting products.

This means that the successful registration of patents in France, Europe, the United States and the rest of the world is crucial.

11.1 RESEARCH AND DEVELOPMENT POLICY

The Company's research and development work forms part of its policy of constant innovation and its pursuit of scientific and technical solutions to new environmental and industrial challenges, in the field of the treatment and recovery of complex effluents and sludge.

The management of sewage sludge has become an environmental issue of primary importance. Legislation is increasingly restrictive, requiring a different classification and resulting in increased treatment or incineration costs. Many of the traditional processes used to treat sludge by disposal and/or recycling are no longer valid options in view of the new regulations. Environmental and economic problems also need to be taken into consideration. A number of research and development projects are in progress to attempt to identify solutions.

Since the Company's incorporation, most of its research and development resources have been allocated to the development of the SOFHYS and SLG techniques, which enable the Company to propose a completely innovative approach to the treatment and recycling of complex effluents and sludge.

Further information on the Company's research and development policy can be found in subsections 6.2.3, 6.3.4 and 6.6.4 of this registration document.

11.2 PATENTS AND PATENT APPLICATIONS

11.2.1. Intellectual property rights protection policy

The Company actively implements a twofold policy consisting of the protection of new technologies (aggressive strategy) and the implementation of measures to try to protect itself against potential new and alternative technologies (defensive strategy).

Accordingly, the Company's research and development strategy is focused on:

- (i) protecting its new technologies; and
- (ii) retaining its competitive edge over other companies operating in the same sector.

The Company owns inventions that are protected by patent applications and/or registered patents in the water treatment sector and, more specifically, relating to the treatment of complex effluents and sludge.

It files new patent applications on a regular basis, and has filed one application every year on average since 2007.

To date, the Company holds three patents in France, one in Europe and one in the USA.

The Company owns all the patent families corresponding to patents filed by the Company, including in particular applications concerning the SOFHYS and SLG technologies.

Moreover, all the employees who work on research and development are bound to the Company by contracts of employment, stipulating that the rules governing the transfer to the Company of any inventions they have made or may make are governed by Article L.611-7 of the Code of Intellectual Property (*Code de la propriété intellectuelle*).

Any employees identified as inventors will therefore receive additional remuneration or a fair price, in accordance with Article L.611-7 of the Code of Intellectual Property.

11.2.2. Type and scope of the Company's patent portfolio

Patents and patent applications reflect the research and development work carried out to identify and develop innovative solutions for the treatment and recycling of complex effluents and waste.

No patents relating to the Company's operations are currently being prepared with a view to a subsequent application.

The patents relating to the SOFHYS and SLG portfolio both have a material impact on the Company's future prospects. All patents necessary for the commercial and industrial development of the SOFHYS and SLG technologies have been filed. The Company is planning to file two additional patents for these technologies in the near future.

The costs incurred in connection with patents include (i) initial drafting costs, extension costs and the cost of defending patents during procedures with the various patent offices, and (ii) renewal costs (annual fees).

11.2.2.1. SOFHYS portfolio

The SOFHYS innovation is protected by two patent families:

- (i) one relates to a process and system for the purification of liquid effluents; French (FR2914919), European (EP2139818) and US (US8366938) patents have been granted

(international application reference: PCT/FR2008/000521); and

- (ii) the other concerns a reactor; a French patent (FR2942220) was granted on 8 April 2011 and extended pursuant to an international application, reference PCT/FR2010/000131 (see summary table below).

The innovative nature of this technology resides essentially in the reactor, which is protected by a French patent FR 2942220 (granted) and its extension under the reference PCT/FR2010/000131. This innovative patent describes a complete system and associated process for the continuous treatment of effluents on an industrial scale, containing at least two successive compartments, namely, an initial compartment in which free radical oxidation occurs in a very turbulent medium, and a second compartment for coagulation/flocculation/flotation, equipped with scraping devices.

11.2.2.2. SLG portfolio

Three French patent applications were filed in connection with the SLG project, with two patent applications published on 4 May 2012 (patent applications FR2966818 and FR2966819) and extended on the basis of international applications (application PCT/FR2011/000582 published under number WO2012/056128A1 and application PCT/FR2011/000583 published under number WO2012/056129A1). These PCT applications are currently in, or will shortly enter, the national phase in a large number of countries (see table).

The third application (FR12/01310) was filed on 4 May 2012 (see summary table below), and is currently the subject of a PCT extension on the basis of prior art.

The innovative nature resides in the use of high-energy impacts between diverted flows inside a small pressurised chamber to break down the sludge, combined with the injection of air to alter the end properties of the dewatered sludge.

11.2.2.3. Other portfolio / patents / Soleau envelopes

The Company is also the owner of an invention relating to the pre-treatment of effluents, which is protected by French patent FR2921057, granted on 10 June 2011.

Furthermore, the Company has filed two Soleau envelopes¹⁵: one in December 2008 relating to a system and process for the purification of high-COD effluents, and the other in March 2009 relating to “water – fuel – iron”.

¹⁵ The Soleau envelope system is operated by the French industrial property office (l’Institut National de la Propriété Industrielle) and can be used to ascertain the exact date of creation of a work and identify its author.

The following table summarises all the patents and their legal status:

Summary table of the portfolio of patents currently exploited by Orège

- Patents relating to the liquid effluent purification process and system**

O/ref	Country	Short title	Application number	Date of filing	Proprietor	Publication number	Inventor(s)	Comments ¹⁶	Date patent issued / registered
B0592	France	LIQUID EFFLUENT PURIFICATION PROCESS AND SYSTEM	0702700	13/04/2007	Orège	2914919	Patrice Capeau Michel Lopez Pascal Gendrot	Issued	16/09/2011
B0592A	PCT	LIQUID EFFLUENT PURIFICATION PROCESS AND SYSTEM	PCT/FR2008/00052 1	14/08/2008	Orège	WO2008/142293A2	Patrice Capeau Michel Lopez Pascal Gendrot	-	N/A
B0592AA	EURO/PCT	LIQUID EFFLUENT PURIFICATION PROCESS AND SYSTEM	08787954.0	14/04/2008	Orège	2139818	Patrice Capeau Michel Lopez Pascal Gendrot	Issued	10/11/2010
B0592AAA	Austria	LIQUID EFFLUENT PURIFICATION PROCESS AND SYSTEM	08787954.0	14/04/2008	Orège	2139818	Patrice Capeau Michel Lopez Pascal Gendrot	Validated	10/11/2010
B0592AAB	Germany	LIQUID EFFLUENT PURIFICATION PROCESS AND SYSTEM	08787954.0	14/04/2008	Orège	2139818	Patrice Capeau Michel Lopez Pascal Gendrot	Validated	10/11/2010
B0592AAC	Belgium	LIQUID EFFLUENT PURIFICATION PROCESS AND SYSTEM	08787954.0	14/04/2008	Orège	2139818	Patrice Capeau Michel Lopez Pascal Gendrot	Validated	10/11/2010
B0592AAD	Denmark	LIQUID EFFLUENT PURIFICATION PROCESS AND SYSTEM	08787954.0	14/04/2008	Orège	2139818	Patrice Capeau Michel Lopez Pascal Gendrot	Validated	10/11/2010
B0592AAE	Spain	LIQUID EFFLUENT PURIFICATION PROCESS AND SYSTEM	08787954.0	14/04/2008	Orège	2139818	Patrice Capeau Michel Lopez Pascal Gendrot	Validated	10/11/2010
B0592AAF	France	LIQUID EFFLUENT PURIFICATION PROCESS AND SYSTEM	08787954.0	14/04/2008	Orège	2139818	Patrice Capeau Michel Lopez Pascal Gendrot	Validated	10/11/2010
B0592AAG	UK	LIQUID EFFLUENT PURIFICATION PROCESS AND SYSTEM	08787954.0	14/04/2008	Orège	2139818	Patrice Capeau Michel Lopez	Validated	10/11/2010

¹⁶ Once granted, a European patent is subdivided into as many national patents as there are patent validations in the designated European countries, subject to payment of the annual fees in these countries. Once a patent is "granted" it may or may not be "validated" in a given country by the payment of duties and the production of a translation, if necessary.

							Pascal Gendrot		
B0592AAH	Ireland	LIQUID EFFLUENT PURIFICATION PROCESS AND SYSTEM	08787954.0	14/04/2008	Orège	2139818	Patrice Capeau Michel Lopez Pascal Gendrot	Validated	10/11/2010
B0592AAI	Italy	LIQUID EFFLUENT PURIFICATION PROCESS AND SYSTEM	08787954.0	14/04/2008	Orège	2139818	Patrice Capeau Michel Lopez Pascal Gendrot	Validated	10/11/2010
B0592AAJ	Norway	LIQUID EFFLUENT PURIFICATION PROCESS AND SYSTEM	08787954.0	14/04/2008	Orège	2139818	Patrice Capeau Michel Lopez Pascal Gendrot	Validated	10/11/2010
B0592AAK	Poland	LIQUID EFFLUENT PURIFICATION PROCESS AND SYSTEM	08787954.0	14/04/2008	Orège	2139818	Patrice Capeau Michel Lopez Pascal Gendrot	Validated	10/11/2010
B0592AAL	Portugal	LIQUID EFFLUENT PURIFICATION PROCESS AND SYSTEM	08787954.0	14/04/2008	Orège	2139818	Patrice Capeau Michel Lopez Pascal Gendrot	Validated	10/11/2010
B0592AAM	Sweden	LIQUID EFFLUENT PURIFICATION PROCESS AND SYSTEM	08787954.0	14/04/2008	Orège	2139818	Patrice Capeau Michel Lopez Pascal Gendrot	Validated	10/11/2010
B0592AAN	Netherlands	LIQUID EFFLUENT PURIFICATION PROCESS AND SYSTEM	08787954.0	14/04/2008	Orège	2139818	Patrice Capeau Michel Lopez Pascal Gendrot	Validated	10/11/2010
B0592AAO	Switzerland/ Liechtenstein	LIQUID EFFLUENT PURIFICATION PROCESS AND SYSTEM	08787954.0	14/04/2008	Orège	2139818	Patrice Capeau Michel Lopez Pascal Gendrot	Validated	10/11/2010
B0592AB	USA	LIQUID EFFLUENT PURIFICATION PROCESS AND SYSTEM	12,595,058	14/04/2008	Orège	US-2010-0126931-A1	Patrice Capeau Michel Lopez Pascal Gendrot	Issued	05/02/2013
B0592AC	Japan	LIQUID EFFLUENT PURIFICATION PROCESS AND SYSTEM	2010-502549	14/04/2008	Orège	2010-523323	Patrice Capeau Michel Lopez Pascal Gendrot	Pending	-
B0592AD	Canada	LIQUID EFFLUENT PURIFICATION PROCESS AND SYSTEM	2683354	14/04/2008	Orège		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	-
B0592AE	China	LIQUID EFFLUENT PURIFICATION PROCESS AND SYSTEM	200880018417.3	14/04/2008	Orège	CN101679083A	Patrice Capeau Michel Lopez Pascal Gendrot	Pending	-
B0592AF	Brazil	LIQUID EFFLUENT PURIFICATION PROCESS AND SYSTEM	PI0810642-8	14/04/2008	Orège		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	-
B0592AAG	India	LIQUID EFFLUENT PURIFICATION PROCESS AND SYSTEM	6423/DELNP/2009	14/04/2008	Orège		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	-

- **Patent relating to the pre-treatment of effluents**

O/ref	Country	Short title	Application number	Date of filing	Proprietor	Publication number	Inventor(s)	Comments	Date patent issued / registered
B0607	France	PRETREATMENT OF EFFLUENTS	0706538	17/09/2007	Orège	2921057	Patrice Capeau Michel Lopez Pascal Gendrot	Issued	10/06/2011

- **Patents related to Sofhys**

O/ref	Country	Short title	Application number	Date of filing	Proprietor	Publication number	Inventor(s)	Comments	Date patent issued / registered
B0668	France	SOFHYS	0900705	16/02/2009	Orège	2942220	Patrice Capeau Michel Lopez Pascal Gendrot	Issued	08/04/2011
B0668A	PCT	SOFHYS	PCT/FR2010/00013 1	16/02/2010	Orège	WO2010/092265A1	Patrice Capeau Michel Lopez Pascal Gendrot	-	N/A
B0668AA	EURO/PCT	SOFHYS	10707102.9	16/02/2010	Orège	2396283	Patrice Capeau Michel Lopez Pascal Gendrot	Pending	-
B0668AB	USA	SOFHYS	13/201,583	16/02/2010	Orège	US-2012-0043224-A1	Patrice Capeau Michel Lopez Pascal Gendrot	Pending	-
B0668AC	Japan	SOFHYS	2011-549630	16/02/2010	Orège	2012-517893	Patrice Capeau Michel Lopez Pascal Gendrot	Pending	-
B0668AD	Canada	SOFHYS	2752732	16/02/2010	Orège		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	-
B0668AE	China	SOFHYS	201080014888.4	16/02/2010	Orège	CN102438955A	Patrice Capeau Michel Lopez Pascal Gendrot	Pending	-
B0668AF	Brazil	SOFHYS	PI1008843-1	16/02/2010	Orège		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	-
B0668AAG	India	SOFHYS	6332/DELNP/2011	16/02/2010	Orège		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	-
B0668AH	Indonesia	SOFHYS	W-00201102941	16/02/2010	Orège		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	-
B0668AI	Mexico	SOFHYS	MX/A/2011/008591	16/02/2010	Orège		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	-

B0668AJ	Eurasia	SOFHYS	201101171	16/02/2010	Orège		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	-
B0668AK	South Korea	SOFHYS	10-2011-7021483	16/02/2010	Orège		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	-

- **Patents relating to SLG**

O/ref	Country	Short title	Application number	Date of filing	Proprietor	Publication number	Inventor(s)	Comments	Date patent issued / registered
B0741	France	SLG	1004284	29/10/2010	OREGE	2966818	Patrice Capeau Michel Lopez Pascal Gendrot	Pending	-
B0741A	PCT	SLG	PCT/FR2011/00058 2	28/10/2011	OREGE	WO2012/056128A1	Patrice Capeau Michel Lopez Pascal Gendrot	-	-
B0741AA	EURO/PCT	SLG	11787699.5	28/10/2011	OREGE		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	-
B0741AB	South Africa	SLG	2013/03069	28/10/2011	OREGE		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	
B0741AD	Australia	SLG	2011322381	28/10/2011	OREGE		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	
B0741AE	Bahrain	SLG	BP46/2013	28/10/2011	OREGE		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	
B0741AF	Brazil	SLG	BR112013010304-3	28/10/2011	OREGE		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	
B0741AG	Canada	SLG		28/10/2011	OREGE		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	
B0741AH	China	SLG		28/10/2011	OREGE		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	
B0741AI	Chile	SLG	01181-2013	28/10/2011	OREGE		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	
B0741AJ	South Korea	SLG	10-2013-7012177	28/10/2011	OREGE		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	
B0741AK	Eurasia	SLG		28/10/2011	OREGE		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	
B0741AL	United Arab Emirates	SLG		28/10/2011	OREGE		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	

B0741AM	India	SLG	3700/DELNP/2013	28/10/2011	OREGE		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	
B0741AN	United States	SLG	13/881561	28/10/2011	OREGE		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	
B0741AO	Indonesia	SLG	W-00201301771	28/10/2011	OREGE		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	
B0741AP	Israel	SLG		28/10/2011	OREGE		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	
B0741AQ	Japan	SLG		28/10/2011	OREGE		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	
B0741AR	New Zealand	SLG		28/10/2011	OREGE		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	
B0741AS	Malaysia	SLG		28/10/2011	OREGE		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	
B0741AT	Mexico	SLG		28/10/2011	OREGE		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	
B0741AU	African Organisation	SLG		28/10/2011	OREGE		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	
B0741AV	Qatar	SLG	QA/201304/00069	28/10/2011	OREGE		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	
B0741AW	Singapore	SLG		28/10/2011	OREGE		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	
B0741AX	Thailand	SLG	1301002257	28/10/2011	OREGE		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	
B0741AY	Turkey	SLG		28/10/2011	OREGE		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	
B0741AZ	Vietnam	SLG	1-2013-01362	28/10/2011	OREGE		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	

- **Patents relating to SLG bis**

O/ref	Country	Short title	Application number	Date of filing	Proprietor	Publication number	Inventor(s)	Comments	Date patent issued / registered
B0751	France	SLG BIS	1004285	29/10/2010	OREGE	2966819	Patrice Capeau Michel Lopez Pascal Gendrot	Pending	-
B0751A	PCT	SLG BIS	PCT/FR2011/000583	28/10/2011	OREGE	WO2012/056129A1	Patrice Capeau Michel Lopez Pascal Gendrot	-	-
B0751AA	EURO/PCT	SLG BIS	11787700.1	28/10/2011	OREGE		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	
B0751AB	South Africa	SLG BIS	2013/03071	28/10/2011	OREGE		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	
B0751AD	Australia	SLG BIS	2011322382	28/10/2011	OREGE		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	
B0751AE	Bahrain	SLG BIS	BP47/2013	28/10/2011	OREGE		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	
B0751AF	Brazil	SLG BIS		28/10/2011	OREGE		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	
B0751AG	Canada	SLG BIS		28/10/2011	OREGE		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	
B0751AH	China	SLG BIS		28/10/2011	OREGE		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	
B0751AI	Chile	SLG BIS	01182-2013	28/10/2011	OREGE		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	
B0751AJ	South Korea	SLG BIS	10-2013-7012175	28/10/2011	OREGE		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	
B0751AK	Eurasia	SLG BIS		28/10/2011	OREGE		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	
B0751AL	United Arab Emirates	SLG BIS	476/2013	28/10/2011	OREGE		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	
B0751AM	India	SLG BIS	3745/DELNP/2013	28/10/2011	OREGE		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	
B0751AN	United States	SLG BIS	13/881508	28/10/2011	OREGE		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	

B0751AO	Indonesia	SLG BIS	W-00201301770	28/10/2011	OREGE		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	
B0751AP	Israel	SLG BIS		28/10/2011	OREGE		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	
B0751AQ	Japan	SLG BIS		28/10/2011	OREGE		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	
B0751AR	New Zealand	SLG BIS		28/10/2011	OREGE		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	
B0751AS	Malaysia	SLG BIS		28/10/2011	OREGE		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	
B0751AT	Mexico	SLG BIS		28/10/2011	OREGE		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	
B0751AU	African Organisation	SLG BIS		28/10/2011	OREGE		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	
B0751AV	Qatar	SLG BIS	QA/201304/00070	28/10/2011	OREGE		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	
B0751AW	Singapore	SLG BIS		28/10/2011	OREGE		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	
B0751AX	Thailand	SLG BIS	1301002258	28/10/2011	OREGE		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	
B0751AY	Turkey	SLG BIS		28/10/2011	OREGE		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	
B0751AZ	Vietnam	SLG BIS	1-2013-01363	28/10/2011	OREGE		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	

- **Patent relating to HC SLG**

O/ref	Country	Short title	Application number	Date of filing	Proprietor	Publication number	Inventor(s)	Comments	Date patent issued / registered
B0841	France	HC SLG	1201310	04/05/2012	Orège		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	-
B0841A	PCT	HC SLG	PCT/FR2013/050996	03/05/2013	Orège		Patrice Capeau Michel Lopez Pascal Gendrot	Pending	

11.3 LICENCE AGREEMENTS

11.3.1 Licence agreements held by the Company

As at the date of registration of this registration document, the Company does not hold any license agreement granted by any third party.

11.3.2 Licence agreements granted by the Company

The Company has not granted any license for any of the patents it owns.

11.4 OTHER INTELLECTUAL PROPERTY RIGHTS

11.4.1 Registered trademarks

The Company has registered the "Orège" trademark in France. The trademark was extended as a community trademark and then an international trademark on the basis of the priority of the French trademark.

The companies listed in the international application are those countries in which Orège had identified development and/or market possibilities.

A prior availability search by similarity was carried out before the "Orège" trademark application was filed in France. The search was restricted to the French territory and class 48.

It identified a number of prior trademarks, none of which suggested that a filing outside a normal business context would be inadvisable.

No application has been filed and no prior art search has been carried out for the Company's logo. The Company plans to do this soon. As at the date of registration of this registration document, the Company is the proprietor of the following trademarks:

Trademark	Country	Classes	Date of filing	Application number	Date of registration	Registration number	Trademark status
Orège	France	01, 11, 37, 40	19/07/2007	073514676	21/12/2007	073514676	In force
Orège	European Community	01, 11, 37, 40	16/01/2008	006624969	28/01/2009	006624969	In force
Orège	International	01, 11, 37, 40	18/01/2008	956210	18/01/2008	956210	In force
Orège	China	01, 11, 37, 40	18/01/2008	956210	18/01/2008	956210	In force
Orège	Switzerland	01, 11, 37, 40	18/01/2008	956210	18/01/2008	956210	In force
Orège	USA	01, 11, 37, 40	18/01/2008	956210	10/03/2009	3587359	In force
SOFHYS	France	01, 11, 37, 40, 42	11/04/2013	13/3997173	Pending	Pending	In force

SLG	France	01, 11, 37, 40, 42	11/04/2013	13/3997161	Pending	Pending	In force
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11.4.2 Domain names registered by the Company

The Company has registered two domain names:

www.orege.fr

www.orege.com

12 TRENDS

12.1 MAIN TRENDS SINCE THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

No significant events have occurred since the end of the last financial year ended 31 December 2012 that might affect the Company's production, sales and stocks, costs or sale prices.

12.2 COMPANY PROSPECTS FOR 2013

The Company has more than 60 qualifying projects in its portfolio, compared with fewer than 10 projects a year ago. To the best of its knowledge, the Company believes that the maximum revenue impact of these qualified projects in the portfolio that could be generated over the coming three years in terms of unit and equipment sales, and over the coming five years in terms of revenue generated from these sales, exceeds €70 million.

Orège considers a project as qualified when:

- (i) one or more meetings have already taken place with the customer or the prospect on site and with the technical and financial decision makers;
- (ii) its need has been clearly qualified;
- (iii) the technical and financial feasibility of the sale of the SOFHYS or SLG unit or equipment has been verified by the Company; and
- (iv) the customer or the prospect has an investment and/or operating budget for the project and the price likely to be charged by the Company appears to be in line with expectations.

In the industrial sector, Orège is currently studying more than 20 projects concerning the two SOFHYS and SLG technologies, mainly in the chemicals, petrochemicals and agri-food segments.

In the municipal sector, more than 30 projects for the sale or leasing of SLG equipment are currently in the study phase. Several of these qualified projects could result in the sale or leasing of more than 10 SLG units for each project concerned.

In parallel, Orège is currently considering the possible signature of several framework contracts, of various amounts, with a number of groups that are European or global leaders in water treatment.

The Company expects industrial and commercial developments to result in the establishment within five years (i.e. by end-2018) of the following installed base:

- 20 fixed SOFHYS EPCM units;
- 40 containerised mobile SOFHYS units; and
- 700 to 1,000 SLG units or equipment installations.

Please refer to section 6.9 (*Orège's development strategy*) of this registration document for further details.

It should be noted that the Company considers the revenue objectives as published in certain press articles prior to the registration date of this registration document are no longer pertinent.

13. PROFIT FORECASTS AND ESTIMATES

The Company does not plan to make any profit forecasts or estimates.

14. MANAGEMENT, GOVERNING AND SUPERVISORY BODIES AND GENERAL MANAGEMENT TEAM

14.1 EXECUTIVE BOARD AND SUPERVISORY BOARD

14.1.1 Composition of the Executive Board and the Supervisory Board

As at the date of this registration document, the Company's Executive Board and Supervisory Board have the following members:

Executive Board

Name	Office	Main function within the Company	Main function outside the Company	Date of 1st appointment	Expiry of term of office
Pascal Gendrot ⁽¹⁾	Chairman of the Executive Board	<i>Chief Executive Officer</i>	N/A	Supervisory Board meeting of 01/12/2007	Most recent renewal of office by the Supervisory Board on 15/03/2012, with retroactive effect from 21/10/2011, for a two-year term, i.e. until the date of the last Supervisory Board meeting held before 21/10/2013.
George Gonsalves ⁽²⁾	Member of the Executive Board	<i>Chief Financial Officer</i>	N/A	Supervisory Board meeting of 30/04/2013, effective from 30/04/2013	Appointed by the Supervisory Board on 30/04/2013, with effect from 30/04/2013, for a two-year term, i.e. until the date of the last Supervisory Board meeting held before 30/04/2015.

⁽¹⁾ Since the Company's creation, Pascal Gendrot has personally invested a total amount of approximately €700,000 in the Company. A further amount of approximately €1,100,000 has also been invested by "friends and family" since the Company's creation.

⁽²⁾ George Gonsalves has personally invested a total amount of approximately €200,000 in the Company.

Supervisory Board

Name	Office	Main function within the Company	Main function outside the Company	Date of 1st appointment	Expiry of term of office
Kléber Beauvillain	Chairman of the Supervisory Board	N/A	N/A	General meeting of 01/12/2007	Renewal of office by the general meeting of 29/06/2012, to expire at the close of the general meeting called to vote on the financial statements for the financial year ending 31/12/2013.
Alex Betts	Deputy Chairman of the Supervisory Board	N/A	Partner, Climate Change Capital Private Equity Fund	General meeting of 10/06/2011	Renewal of office by the general meeting of 21/05/2013, to expire at the close of the general meeting to be held in 2015 to vote on the financial statements for the financial year ending 31/12/2014.
Gabriel Schreiber	Member of the Supervisory Board	N/A	N/A	General meeting of 07/05/2008	Renewal of office by the general meeting of 29/06/2012, to expire at the close of the general meeting called to vote on the financial statements for the financial year ending 31/12/2013.
Frédéric Benech	Member of the Supervisory Board	N/A	Lawyer	General meeting of 01/12/2007	Renewal of office by the general meeting of 29/06/2012, to expire at the close of the general meeting called to vote on the financial statements for the financial year ending 31/12/2013.
Nicolas Moiseeff	Member of the Supervisory Board	N/A	Vice President, Climate Change Capital Private Equity Fund	General meeting of 10/06/2011	Renewal of office by the general meeting of 21/05/2013, to expire at the close of the general meeting to be held in 2015 to vote on the financial statements for the financial year ending 31/12/2014.

Advisor (Censeur)

Name	Office	Main function within the Company	Main function outside the Company	Date of 1st appointment	Expiry of term of office
Grégory Fayolle	Advisor (Censeur)	N/A	Founder and Chief Executive Officer, Oraxys SA	General meeting of 10/06/2011	Renewal of office by the general meeting of 21/05/2013, to expire at the close of the general meeting to be held in 2015 to vote on the financial statements for the financial year ending 31/12/2014.

The members of the Executive Board use the Company's registered office as their business address.

The business addresses of the members of the Supervisory Board are as follows:

- Kléber Beauvillain: 1, rue Pierre Vaudenay, 78350 Jouy-en-Josas;
- Alex Betts: 3 More London Riverside, London SE1 2AQ (UK);
- Gabriel Schreiber: 1, rue Pierre Vaudenay, 78350 Jouy-en-Josas;
- Frédéric Benech: 146-150, avenue des Champs-Élysées, 75008 Paris;
- Nicolas Moiseeff: 3 More London Riverside, London SE1 2AQ (UK).

The address of the Advisor, Grégory Fayolle, is 41, avenue de la Gare, L-1611 Luxembourg (Luxembourg).

The above persons' management expertise and experience derives from their previous employed positions and offices (please refer to subsection 14.1.3).

None of the above persons have any family ties with each other, with the exception of Pascal Gendrot and Gabriel Schreiber.

Over the past five years, none of the above:

- have been convicted for fraud;
- have been involved in a bankruptcy or insolvency, receivership or liquidation, as a senior manager or member of a governing body, it being specified that Alex Betts was the representative of Climate Change Capital Private Equity (i) on the supervisory board of the German company Solteature GmbH, which was placed in court-ordered administration in 2012, and (ii) on the board of directors of the UK-registered company Renewable Zukunft Ltd., which was placed in court-ordered administration in June 2010, and then in liquidation in January 2012;
- have been prohibited from managing a company; or
- have been the subject of any prosecution, claim or official public sanctions handed down by the statutory or regulatory authorities.

14.1.2 Other corporate offices

Members of the Executive Board

Name	Other current offices		Offices held over previous 5 financial years, now expired
	Company	Type of office	
Pascal Gendrot	Alpha M.O.S.	Director	N/A
	PG Corporate	Manager	N/A
Georges Gonsalves	N/A	N/A	N/A

The members of the Executive Board use the Company's registered office as their business address.

The management experience and expertise of the members of the Executive Board is described in subsections 6.1.1 and 6.2.1 of this registration document.

Members of the Supervisory Board

Name	Other current offices		Offices held over previous 5 financial years, now expired
	Company	Type of office	
Kléber Beauvillain	Esker SA	Deputy Chairman of the Supervisory Board	La Fayette International (Chairman of the Board of Directors and Director)
	Alpha M.O.S.	Director	Beatware - Calif (Director)
	Scientipôle Capital SAS	Chairman of the Supervisory Board	Picis - Mass (Director)
	Capormak EURL	Manager	
Alex Betts	Climate Change Capital Private Equity (Gp) Limited	Director	Renewable Zukunft Ltd (Director)
	Climate Change Capital Private Equity Co-Investment (Gp) Limited	Director	Gentube Limited (Director)
	Climate Change Capital Scotland Private Equity (Gp) Limited	Director	Soltecture GmbH (Director)
	Climate Energy Holdings Limited	Director	
	Climate Energy Homes Limited	Director	
	Climate Change Capital Limited	Director	
Gabriel Schreiber	SCPI Soprorente	Chairman of the Supervisory Board	N/A
Frédéric Benech	N/A	N/A	N/A
Nicolas Moiseeff	N/A	N/A	N/A

14.1.3 Biographies of members of the corporate bodies

The biographies of the members of the Executive Board can be found in subsections 6.1.1 and 6.2.1 of this registration document.

Below are the biographies of the members of the Supervisory Board:

Kléber Beauvillain, Chairman of the Supervisory Board: Kléber Beauvillain spent most of his career at Hewlett Packard, serving in particular as Chairman of Hewlett Packard France's Executive Board. He is currently a director of the technopole Scientipole Capital, as well as of listed companies

in France. Kléber Beauvillain has been awarded the title Officer of the Legion of Honour (*Officier de la Légion d'Honneur*).

Gabriel Schreiber: Gabriel Schreiber is a graduate of the Ecole Polytechnique and of the Ecole Nationale des Ponts et Chaussées engineering school. He spent a large part of his career with the Dumez GTM Group. As a specialist in the management of major international projects, Gabriel Schreiber is the former Chairman and Chief Executive Officer of GTM International.

Frédéric Benech: Frédéric Benech is a graduate of the Ecole Spéciale des Travaux Publics engineering school, and began his career as a process engineer in the nuclear industry. A former industrial property consultant, Frédéric Benech is a founder legal partner of the Benech law firm, which specialises in intellectual property. He has been approved as a professional representative by the European Patent Office.

Alex Betts: Alex Betts is a graduate of Oxford University with over 20 years of private equity investment experience in a range of takeover, acquisition and venture capital transactions. He is a former partner of Montagu Private Equity and was also formerly Head of Venture Capital at Shell Corporate. He became a partner of the UK investment fund Climate Change Capital Private Equity in 2006.

Nicolas Moiseeff: Nicolas Moiseeff is a graduate of ESCP Europe business school with over ten years of private equity and investment banking experience. Before joining Climate Change Capital in 2008, where he currently holds the position of Vice President, he worked for JP Morgan and Bank of America, London, and has also spent time at Allianz Global Investors, Munich.

14.2 CONFLICTS OF INTEREST BETWEEN MEMBERS OF THE MANAGEMENT AND GOVERNING BODIES

The members of the Executive Board and of the Supervisory Board, who form the Company's senior management team, are all direct or indirect Company shareholders and/or hold securities that give access to the Company's capital (see section 7.2 of this registration document for further information).

Agreements signed with related parties are described in sections 16.2 and 19.3.

No agreements have been signed with the main shareholders, customers, suppliers, or any other party under which any of the members of the Executive Board or the Supervisory Board have been appointed a member of their corporate bodies.

The Company is not aware of any current or potential conflict of interest between the private interests and/or other duties of the members of the Company's governing and management bodies, as listed in subsection 14.1 above, and their duties to the Company.

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15 REMUNERATION AND BENEFITS

15.1 REMUNERATION OF CORPORATE OFFICERS

15.1.1 Remuneration and benefits received by members of the Executive Board

The members of the Executive Board received the following total remuneration and benefits during the financial years ended 31 December 2012 and 31 December 2011:

Summary table of remuneration and founders' share subscription warrants (BSPCE) awarded to each executive officer		
Current members	2012 financial year	2011 financial year
Pascal Gendrot - Chairman of the Executive Board		
Remuneration for the financial year	€190,443	€175,797
Value of BSPCE awarded over the year ⁽¹⁾	N/A	N/A
TOTAL	€190,443	€175,797
George Gonsalves ⁽²⁾		
Remuneration for the financial year	€116,200	€109,761
Value of BSPCE awarded over the year	N/A	N/A
TOTAL	€116,200	€109,761
TOTAL CURRENT MEMBERS	€306,643	€285,558
Former members (2011 and 2012)		
Patrice Capeau ⁽³⁾		
Remuneration for the financial year	€137,027	€127,826
Value of BSPCE awarded over the year	N/A	N/A
TOTAL	€137,027	€127,826
Patrick Lanoizelée ⁽⁴⁾		
Remuneration for the financial year	€111,295	€121,028
Value of BSPCE awarded over the year	N/A	N/A
TOTAL	€111,295	€121,028
TOTAL FORMER MEMBERS	€248,322	€248,854

- (1) Since the start of the 2013 financial year, 21,236 BSPCE were awarded to Pascal Gendrot by the Executive Board on 9 April 2013, with the authorisation of the Supervisory Board, at an exercise price of €3.01 per share.
- (2) George Gonsalves was appointed a member of the Executive Board by the Supervisory Board on 30 April 2013, replacing Philippe Andreani following his resignation. Since the start of the 2013 financial year, 21,236 BSPCE were awarded to George Gonsalves by the Executive Board on 9 April 2013, which decision was authorised by the Supervisory Board on 8 April 2013, at an exercise price of €3.01 per share.
- (3) Patrice Capeau was appointed a member of the Executive Board by the Supervisory Board on 1 December 2007, and resigned from his office as a member of the Executive Board on 4 March 2013.

He was replaced by Philippe Andreani pursuant to a decision by the Supervisory Board dated 27 February 2013. Patrice Capeau continues to be employed as the Company's Scientific Director.

- (4) Patrick Lanoizelée was appointed a member of the Executive Board by the Supervisory Board on 1 July 2009, and resigned from his office as a member of the Executive Board on 14 December 2012. Patrick Lanoizelée is no longer employed by the Company.

Also note that Philippe Andreani, who was appointed a member of the Executive Board with effect from 4 March 2013, gave notice of his resignation from his office as a member of the Executive Board in a letter sent to the Company dated 26 April 2013, and was replaced by George Gonsalves pursuant to a decision by the Supervisory Board dated 30 April 2013. Philippe Andreani continues to be employed as Chief Operating Officer. Since the start of the 2013 financial year, 90,872 BSPCE were awarded to Philippe Andreani by the Executive Board on 6 March 2013, which decision was authorised by the Supervisory Board on 20 December 2012, at an exercise price of €3.01 per share.

None of the executive officers exercised their BSPCE during the 2012 financial year, with the exception of Patrick Lanoizelée, who was a member of the Executive Board from 1 July 2009 to 14 December 2012, and who exercised 11,852 BSPCE on 13 December 2012.

As at the date of this registration document, Pascal Gendrot and various members of his family have made shareholders' current account advances to the Company for a total amount of approximately €372,000. As at the date of this registration document, George Gonsalves has made a shareholder's current account advance to the Company for an amount of approximately €32,000.

All remuneration stated in this section corresponds to aggregate gross annual remuneration before income tax.

Summary table of remuneration received by each executive officer				
	2012 financial year		2011 financial year	
	Amount due in €	Amount paid in €	Amount due in €	Amount paid in €
Current members				
Pascal Gendrot – Chairman of the Executive Board				
Fixed annual remuneration ⁽¹⁾	160,000	160,000	142,792	142,792
Variable remuneration	20,000	20,000	18,625	18,625
Exceptional remuneration ⁽²⁾	0	0	1,800	1,800
Attendance fees	N/A	N/A	N/A	N/A
Benefits in kind (GSC insurance cover and company car)	10,443	10,443	12,580	12,580
TOTAL	190,443	190,443	175,797	175,797
George Gonsalves ⁽³⁾				
Fixed annual remuneration	105,000	105,000	96,000	96,000
Variable remuneration	11,000	11,000	13,761	13,761

Exceptional remuneration	N/A	N/A	N/A	N/A
Attendance fees	N/A	N/A	N/A	N/A
Benefits in kind	N/A	N/A	N/A	N/A
TOTAL	116,000	116,000	109,761	109,761
Former members (2011 and 2012)				
Patrice Capeau ⁽⁴⁾				
Fixed annual remuneration	127,000	127,000	119,514	119,514
Variable remuneration	6,325	6,325	N/A	N/A
Exceptional remuneration ⁽²⁾	N/A	N/A	3,600	3,600
Attendance fees	N/A	N/A	N/A	N/A
Benefits in kind	3,702	3,702	4,712	4,712
TOTAL	137,027	137,027	127,826	127,826
Patrick Lanoizelée ⁽⁵⁾				
Fixed annual remuneration	107,018	107,018	116,835	116,835
Variable remuneration	N/A	N/A	N/A	N/A
Exceptional remuneration ⁽²⁾	N/A	N/A	N/A	N/A
Attendance fees	N/A	N/A	N/A	N/A
Benefits in kind	4,277	4,277	4,193	4,193
TOTAL	111,295	111,295	121,028	121,028

- (1) Pascal Gendrot receives remuneration solely for his office as Chairman of the Executive Board. The amount of this fixed remuneration is determined by the Supervisory Board, taking account of the Remuneration Committee's opinion and recommendations. Pursuant to a decision by the Supervisory Board dated 8 April 2013 based on the opinion of the Remuneration Committee, it was decided to raise Pascal Gendrot's gross annual fixed remuneration from €160,000 to €170,000, subject to the condition of the Company's shares being admitted to trading on the Euronext market of NYSE-Euronext in Paris, effective from the first month following said admission. Pascal Gendrot may also receive a gross annual variable remuneration, capped at four months of his gross annual fixed remuneration.
- (2) Exceptional remuneration received on 26 April 2011 in exchange for the assignment to the Company of rights to inventions.
- (3) George Gonsalves was appointed a member of the Executive Board pursuant to a decision by the Supervisory Board dated 30 April 2013, to replace Philippe Andreani. George Gonsalves receives a gross annual fixed remuneration for his corporate office set by the Supervisory Board at €12,000. George Gonsalves continues to be employed by the Company as its Chief Financial Officer, and pursuant to his contract of employment he receives (i) a gross annual fixed remuneration of €105,000, and (ii) subject to achievement of a number of objectives, a gross annual variable remuneration of up to €21,000. As the Company has an Executive Board and a Supervisory Board, George Gonsalves is authorised by law to hold a contract of employment and a corporate office. His duties under his contract of employment as Chief Financial Officer are separate from those associated with his corporate office, and do not correspond to executive management duties.
- (4) Patrice Capeau was appointed a member of the Executive Board with effect from 1 December 2007, and gave notice of his resignation from the Executive Board by letter dated 4 March 2013. He was

replaced by Philippe Andreani pursuant to a decision by the Supervisory Board dated 27 February 2013. When he was a member of the Executive Board, the Supervisory Board set his gross annual fixed remuneration for his corporate office at €12,000. Patrice Capeau continues to be employed as Scientific Director and pursuant to his contract of employment he receives (i) a gross annual fixed remuneration of €127,000, and (ii) subject to the achievement of certain objectives, a gross annual variable remuneration of up to €42,333. Patrice Capeau also has the use of a company car.

- (5) Patrick Lanoizelée was appointed a member of the Executive Board with effect from 1 July 2009, and gave notice of his resignation from the Executive Board by letter dated 14 December 2012. He is no longer employed by the Company.

Note also that Philippe Andreani was appointed a member of the Executive Board with effect from 4 March 2013, and gave notice of his resignation from the Executive Board by letter dated 26 April 2013. He was replaced by George Gonsalves pursuant to a decision by the Supervisory Board dated 30 April 2013. When he was a member of the Executive Board, the Supervisory Board set his gross annual fixed remuneration for his corporate office at €120,000. Following his resignation, Philippe Andreani continues to be employed as Chief Operating Officer and pursuant to his contract of employment he receives (i) a gross annual fixed remuneration of €148,000, and (ii) subject to the achievement of certain objectives, a gross annual variable remuneration of up to €48,000. Philippe Andreani also has the use of a company car. Pursuant to his offer of employment, as accepted and countersigned, Philippe Andreani has the benefit of a promise to receive a number of BSPCE, corresponding to approximately 105,647 BSPCE (1% of the share capital), at a price to be authorised by the shareholders at a general meeting and then approved by the Supervisory Board.

The BSPCE awarded to members of the Executive Board are listed in detail in subsection 21.1.4.1 of this registration document.

The following table contains details of the remuneration and other benefits received by executive officers.

Executive officers	Contract of employment		Supplementary pension plan		Compensation or benefits that will or may be paid if the executive officer leaves office or changes office		Payments under a non-compete clause	
	YES	NO	YES	NO	YES	NO	YES	NO
Pascal Gendrot – Chairman of the Executive Board		X		X		X		X
George Gonsalves – Member of the Executive Board	X			X		X		X

15.1.2 Remuneration and benefits received by members of the Supervisory Board

The following table summarises the amount of attendance fees and other remuneration received by members of the Company Supervisory Board over the previous two financial years.

Table showing attendance fees and other remuneration received by non-executive corporate officers		
Non-executive corporate officers	Amount paid in 2011, in €	Amounts paid in 2012, in €
Kléber Beauvillain		
Attendance fees	4,800	5,563
Other remuneration	-	-
Alex Betts ⁽¹⁾		
Attendance fees	-	-
Other remuneration	-	-
Gabriel Schreiber		
Attendance fees	4,800	5,563
Other remuneration	-	-
Frédéric Benech		
Attendance fees	4,800	5,563
Other remuneration	-	-
Oraxys SA ⁽²⁾		
Attendance fees	-	-
Other remuneration	-	-
Nicolas Moiseeff ⁽³⁾		
Attendance fees	-	-
Other remuneration	-	-
TOTAL	14,400	16,689

- (1) The amount of €10,000 (plus VAT in the amount of €2,500) due to Alex Betts was offset against a receivable in January 2013 at the time of his subscription for convertible bonds.
- (2) Attendance fees in the amount of €10,000 were recorded by the Company in Oraxys SA's interest-bearing shareholder's current account. This company resigned from its office as a member of the Company's Supervisory Board with effect from 9 April 2013. Grégory Fayolle, Chief Executive Officer of Oraxys SA, remains the Company Advisor (*Censeur*).
- (3) The amount of €10,000 (plus VAT in the amount of €2,500) due to Nicolas Moiseeff was offset against a receivable in January 2013 at the time of his subscription for convertible bonds.

Share subscription warrants (BSA) awarded to various members of the Supervisory Board are listed in detail in subsection 21.1.4.2 of this registration document.

**15.2 PROVISIONS BOOKED BY THE COMPANY FOR THE PAYMENT OF PENSIONS,
RETIREMENT BENEFITS AND OTHER BENEFITS TO MEMBERS OF THE
EXECUTIVE BOARD AND THE SUPERVISORY BOARD**

The Company has not booked any provision for the payment of pensions, retirement benefits and other benefits to members of the Executive Board and the Supervisory Board.

The Company has not granted any bonuses when they take up or leave office.

**15.3 SECURITIES GIVING ACCESS TO CAPITAL AWARDED TO MEMBERS OF THE
EXECUTIVE BOARD AND THE SUPERVISORY BOARD**

Please refer to section 17.2 and subsection 21.1.4 of this registration document.

16. OPERATION OF THE MANAGEMENT AND GOVERNING BODIES

16.1 EXPIRY OF THE TERMS OF OFFICE OF THE MEMBERS OF THE EXECUTIVE BOARD AND THE SUPERVISORY BOARD

Please refer to subsection 14.1.1 of this registration document.

16.2 INFORMATION ON CONTRACTS BETWEEN MEMBERS OF THE EXECUTIVE BOARD OR THE SUPERVISORY BOARD AND THE COMPANY

None of the members of the Company's Executive Board or Supervisory Board has entered into any contracts for services with the Company granting any particular benefits or advantages.

16.3 SPECIAL COMMITTEES AND ADVISORS

16.3.1 Special committees

The Company currently has three special committees (an Audit Committee, a Remuneration Committee and an Ethics Committee), which were set up by the Supervisory Board on 1 July 2009.

16.3.1.1 *Audit Committee*

16.3.1.1.1 *Composition*

The Audit Committee is composed of two members appointed by the Supervisory Board. Members of the Audit Committee must also be members of the Supervisory Board.

As at the date of this registration document, the Audit Committee members are:

- (i) Gabriel Schreiber (Chairman); and
- (ii) Alex Betts.

16.3.1.1.2 *Operation*

Matters are referred to the Audit Committee by the Executive Board and/or the Supervisory Board. It may also unilaterally decide to look at any matters falling within its remit.

The Audit Committee provides the Supervisory Board with opinions and recommendations, which it first submits to the Executive Board for observations.

It may also report on its work to the general meeting of shareholders.

The role of the Chairman of the Audit Committee is to:

- (i) organise the Committee's work;
- (ii) propose work programmes and dates for Committee meetings, for a final decision by all the Committee members; and
- (iii) keep the Supervisory Board regularly informed of its work, opinions and observations, although this does not affect the Supervisory Board's right to interview each member of the Committee individually.

The Chairman of the Executive Board and the Company's Chief Financial Officer are automatic members of the Audit Committee, but do not have the right to vote. They liaise between the Committee and the Company.

16.3.1.1.3 Tasks

All matters falling within the remit of the Audit Committee should be referred to it.

Its tasks include:

- (i) examining the accounts submitted to the Supervisory Board, focussing on the assessments made and accounting methods used and their appropriateness in view of the transactions recorded in the accounts;
- (ii) assessing the quality of internal controls;
- (iii) verifying the independence and objectivity of the statutory auditors if they are members of networks that provide the Company with both audit and advisory services; and
- (iv) with the consent of the Executive Board, instructing external auditors to carry out additional audit tasks and, upon expiry of a term of office, putting a proposal to the general meeting of shareholders concerning the appointment of a new statutory auditor.

16.3.1.2 Remuneration Committee

16.3.1.2.1 Composition

The Remuneration Committee is composed of three members appointed by the Supervisory Board. Members of the Remuneration Committee must also be members of the Supervisory Board.

As at the date of this registration document, the Remuneration Committee members are:

- (i) Kléber Beauvillain (Chairman);

(ii) Gabriel Schreiber; and

(iii) Alex Betts.

16.3.1.2.2 Operation

Matters are referred to the Remuneration Committee by the Executive Board and/or the Supervisory Board. It may also unilaterally decide to look at any matters falling within its remit.

The Remuneration Committee provides the Supervisory Board with opinions and recommendations, which it first submits to the Executive Board for observations.

It may also report on its work to the general meeting of shareholders.

The role of the Chairman of the Remuneration Committee is to:

- (i) organise the Committee's work;
- (ii) propose work programmes and dates for Committee meetings, for a final decision by all the Committee members; and
- (iii) keep the Supervisory Board regularly informed of its work, opinions and observations, although this does not affect the Supervisory Board's right to interview each member of the Committee individually.

The Chairman of the Executive Board and one member of the Executive Board are automatic members of the Committee, but do not have the right to vote. They liaise between the Committee and the Company.

16.3.1.2.3 Tasks

The Remuneration Committee expresses opinions and makes recommendations concerning the Company's remuneration policy. It monitors the application of good business practice in this area and reports to the Executive Board and the Supervisory Board. It also presents proposals to the Supervisory Board concerning the amounts and terms of the remuneration received by members of the Executive Board.

16.3.1.3 Ethics Committee

16.3.1.3.1 Composition

The Ethics Committee is composed of three members appointed by the Supervisory Board. Members of the Ethics Committee must also be members of the Supervisory Board.

As at the date of this registration document, the Ethics Committee members are:

- (i) Frédéric Benech (Chairman); and
- (ii) Nicolas Moiseeff.

16.3.1.3.2 Operation

Matters are referred to the Ethics Committee by the Executive Board and/or the Supervisory Board. It may also unilaterally decide to look at any matters falling within its remit.

The Ethics Committee provides the Supervisory Board with opinions and recommendations, which it first submits to the Executive Board for observations.

It may also report on its work to the general meeting of shareholders.

The role of the Chairman of the Ethics Committee is to:

- (i) organise the Committee's work;
- (ii) propose work programmes and dates for Committee meetings, for a final decision by all the Committee members; and
- (iii) keep the Supervisory Board regularly informed of its work, opinions and observations, although this does not affect the Supervisory Board's right to interview each member of the Committee individually.

The Company's Chief Operations Officer is an automatic member of the Committee, but does not have the right to vote. He liaises between the Committee and the Company.

16.3.1.3.3 Tasks

The Ethics Committee expresses opinions and makes recommendations concerning ethical and compliance problems and any issues affecting the Company that may arise in the course of business. It monitors application of best business practice in this area and reports to the Executive Board and the Supervisory Board.

16.3.2 Advisors (*Censeurs*)

As at the date of this registration document the Company has only one Advisor, Grégory Fayolle, who was initially appointed by the shareholders at the general meeting of 10 June 2011, and whose office is expected to be renewed by the shareholders at the general meeting of 3 June 2013 for a term of

two years, to expire at the close of the general meeting to be held in 2015 to vote on the financial statements for the financial year ending 31 December 2014.

16.4 STATEMENT REGARDING CORPORATE GOVERNANCE

In accordance with its policy of transparency and public disclosure, and more specifically in view of its future admission to listing on the regulated market of NYSE-Euronext in Paris, the Company has launched a review of its corporate governance practices.

The Company bases its corporate governance policy on the “Corporate Governance Code for Midcaps”, as published in December 2009 by MiddleNext and approved as a reference document by the AMF, in so far as the guidelines set out therein are compatible with the Company's organisation, size, resources and capital ownership structure, and more specifically for the purpose of drawing up the report by the Chairman of the Supervisory Board required by Article L. 225-37 of the Commercial Code (*Code de commerce*).

The Company has already set up three special committees (please refer to section 16.3 of this registration document). The Company does not currently have two independent members, contrary to the recommendation in the Corporate Governance Code for Midcaps published by MiddleNext, but it is of the opinion that it already has one independent member of the Supervisory Board, namely Kléber Beauvillain, as defined by the aforementioned Corporate Governance Code for Midcaps, in that Kléber Beauvillain:

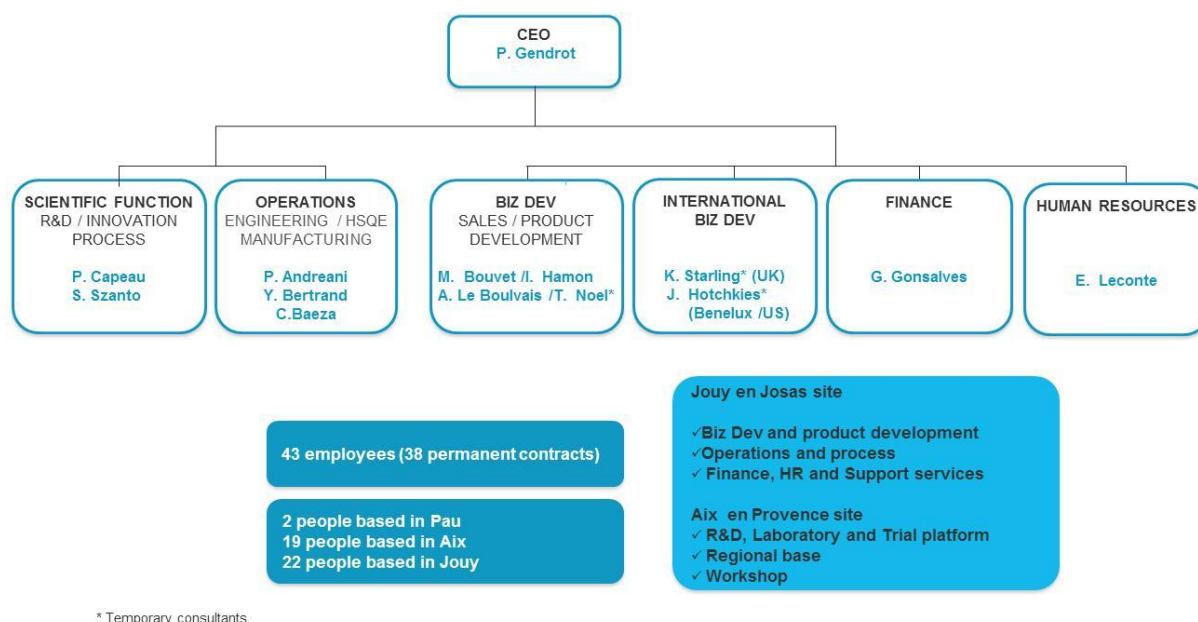
- is not an employee or executive officer of the Company and has not held such a position or office at any time in the past three years;
- is not a major client, supplier or bank of the Company and the Company does not represent a significant proportion of his business operations;
- is not a reference shareholder of the Company;
- does not have any close family ties with any corporate officer or reference shareholder; and
- has not served as the Company's auditor at any time in the past three years.

Moreover, the MiddleNext Code recommends that supervisory boards, in compliance with the applicable regulations, assess whether it is advisable to combine contracts of employment with corporate offices in respect of executive board members. The Company's supervisory board believes that combining the contract of employment with the corporate office of Mr. Georges Gonsalves, a member of the executive board and the chief financial officer, is advisable because his functions in connection with his contract of employment are distinct from those of his corporate office and are not encompassed by his executive management role.

17 EMPLOYEES

17.1 HUMAN RESOURCES

17.1.1 Organisation chart



17.1.2 Number of employees and breakdown

As at the end of the two financial years under review, the Company had the following employees⁷:

Employees at year-end	31 December 2012	31 December 2011
General management, administrative services, HR	5	5
Research & Development	12	13
Operations	14	17
Biz Development	6	5
TOTAL	37	40

17.2 EQUITY INTERESTS AND SECURITIES GIVING ACCESS TO CAPITAL HELD BY MEMBERS OF THE EXECUTIVE BOARD AND THE SUPERVISORY BOARD

As at the date of registration of this registration document, the members of the Executive Board and the Supervisory Board directly and indirectly hold the following equity interests and securities giving access to the Company's capital:

⁷ It should be noted that additional recruitment has not taken place and is not envisaged in respect of the specific requirements relating to achievement of the proposed admission to trading of the Company's shares on the NYSE-Euronext market in Paris.

Executive Board

Name	Office	Shares			Securities giving access to capital
		Quantity	% of capital	% of voting rights	
Pascal Gendrot	Chairman of the Executive Board	1,789,350	15.45%	19.60%	266,799 BSPCE, each giving access to one Company share.
George Gonsalves	Member of the Executive Board	80,756	0.70%	0.83%	100,054 BSPCE, each giving access to one Company share.

Supervisory Board

Name	Office	Shares			Securities giving access to capital
		Quantity	% of capital	% of voting rights	
Kléber Beauvillain	Chairman of the Supervisory Board	50,068	0.43%	0.36%	23,975 BSA, each giving access to one Company share.
Frédéric Benech	Member of the Supervisory Board	11,112	0.10%	0.12%	47,589 BSA, each giving access to one Company share.
Gabriel Schreiber	Member of the Supervisory Board	41,001	0.35%	0.26%	22,900 BSA, each giving access to one Company share.

The above two tables reflect changes to the Articles of Association which the shareholders will be asked to approve at the general meeting scheduled to be held on 3 June 2013, and which will be adopted subject to the condition precedent that the Company's shares will be admitted to trading on the regulated market of NYSE-Euronext in Paris by or before 31 October 2013 at the latest.

17.3 PROFIT-SHARING AND INCENTIVE SCHEMES

The Company has not put in place any profit-sharing or incentive schemes to date.

18 MAIN SHAREHOLDERS

18.1 CAPITAL OWNERSHIP AND VOTING RIGHTS

18.1.1 Capital ownership and voting rights as at the date of the initial public offering of the Company's shares on the Euronext market of NYSE-Euronext in Paris

The following table gives details of capital ownership and reflects the resolutions (and the proposed amendments approved by the executive board at its meeting of 29 May 2013) expected to be approved at the general meeting of 3 June 2013 and which will be adopted subject to the condition precedent of the initial public offering of the Company's shares on the Euronext market of NYSE-Euronext in Paris, and more specifically (i) the conversion of the bond issue subscribed by Climate Change Private Equity LP and Climate Change Capital Private Equity Co-Investment LP of €2,147,637.40 into 740,496 ordinary shares, and (ii) the conversion of class A preference shares held by Climate Change Private Equity LP, Climate Change Capital Private Equity Co-Investment LP and Oraxys into ordinary shares on the basis of one class A preference share for 1.65 ordinary shares, and the elimination of the corresponding share category.

Shareholders	Situation – undiluted basis				Situation – diluted basis			
	Number of shares	% of capital	Number of voting rights	% of voting rights	Number of shares	% of capital	Number of voting rights	% of voting rights
Pascal Gendrot	1,789,350	15.45%	3,578,700	19.60%	2,056,149	16.38%	3,845,499	20.01%
Patrice Capeau	1,153,126	9.96%	2,278,900	12.48%	1,362,272	10.85%	2,488,046	12.94%
Michel Lopez	592,509	5.12%	1,157,666	6.34%	592,509	4.72%	1,157,666	6.02%
Guy Gendrot	265,359	2.29%	530,718	2.91%	265,359	2.11%	530,718	2.76%
George Gonsalves	80,756	0.70%	151,512	0.83%	180,810	1.44%	251,566	1.31%
Subtotal concerted shareholders	3,881,100	33.51%	7,697,496	42.17%	4,457,099	35.51%	8,273,495	43.04%
Climate Change Capital Private Equity LP	3,991,159	34.46%	5,965,701	32.68%	3,991,159	31.80%	5,965,701	31.04%
Climate Change Capital Private Equity Co-Investment LP	39,910	0.34%	59,655	0.33%	39,910	0.32%	59,655	0.31%
Oraxys Environment 1 SCA	1,096,857	9.47%	1,761,619	9.65%	1,096,857	8.74%	1,761,619	9.16%
Inocap	727,095	6.28%	727,095	3.98%	727,095	5.79%	727,095	3.78%
Efficap	604,674	5.22%	604,674	3.31%	604,674	4.82%	604,674	3.15%
Auris	334,815	2.89%	334,815	1.83%	334,815	2.67%	334,815	1.74%
Employees and corporate officers (excluding concerted shareholders)	121,080	1.05%	164,493	0.90%	512,416	4.08%	555,829	2.89%
Other	786,542	6.79%	939,210	5.15%	786,542	6.27%	939,210	4.89%
Total	11,583,232	100.00%	18,254,758	100.00%	12,550,567	100.00%	19,222,093	100.00%

The difference between the diluted basis and the undiluted basis corresponds solely to the potential exercise by holders of share subscription warrants (for members of the Supervisory Board) or founders' share subscription warrants (for employees or members of the Executive Board).

The above table reflects the allocation of double voting rights to the shareholders in 2011, effective from 21 June 2013 (the date of the second anniversary of payment in full of their class A registered preference shares), as well as the impact of the conversion of said class A preference shares into ordinary shares on the basis of one class A share for 1.65 ordinary shares. Pursuant to Article 13 of the Company's Articles of Association, the double voting right allocated to ordinary shares created as a result of the conversion of class A shares into ordinary shares which remained in registered form was allocated on a reduced basis of one class A share for one ordinary share.

Pursuant to Article 13 of the Articles of Association, the conversion of class A shares into ordinary shares, subject to the condition precedent of the admission into trading of the Company's shares on the regulated Euronext market of NYSE-Euronext in Paris, does not interrupt the two-year holding period necessary to qualify for a double voting right, and the double voting right will be allocated on expiry of a two-year period running from the date of initial registration of the corresponding class A share, provided the shareholder keeps the ordinary shares in registered form until the end of said two-year period.

Subject to a favourable vote at the extraordinary general meeting to be held on 3 June 2013 and to admission of the Company's shares into trading on the regulated market of NYSE-Euronext in Paris, the bond loan will be converted on a contractual basis that is not correlated to the offer price to be set in the context of admission into trading of the Company's shares on the Euronext market of NYSE-Euronext in Paris.

18.1.2 Changes in ownership of the share capital and voting rights over the past three financial years

Shareholders	As at 31/12/2010						As at 31/12/2011						As at 31/12/2012					
	Situation – undiluted basis			Situation – diluted basis			Situation – undiluted basis			Situation – diluted basis			Situation – undiluted basis			Situation – diluted basis		
	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights
Pascal Gendrot	1,789,350	28.14%	35.22%	2,034,913	28.01%	34.55%	1,789,350	19.70%	27.75%	2,034,913	20.41%	27.74%	1,789,350	19.67%	27.28%	2,034,913	20.92%	27.82%
Patrice Capeau	1,153,126	18.14%	22.53%	1,362,571	18.75%	22.58%	1,153,425	12.70%	17.75%	1,362,571	13.66%	18.13%	1,153,126	12.67%	17.37%	1,362,272	14.01%	18.10%
Michel Lopez	624,808	9.83%	11.86%	624,808	8.60%	10.89%	624,808	6.88%	9.35%	624,808	6.27%	8.74%	592,509	6.51%	8.82%	592,509	6.09%	8.42%
Sub-total founders	3,567,284	56.10%	69.62%	4,022,292	55.36%	68.02%	3,567,583	39.28%	54.85%	4,022,292	40.34%	54.60%	3,534,985	38.85%	53.47%	3,989,694	41.02%	54.34%
Guy Gendrot	265,359	4.17%	4.74%	265,359	3.65%	4.35%	265,359	2.92%	3.74%	265,359	2.66%	3.49%	265,359	2.92%	4.05%	265,359	2.73%	3.86%
George Gonsalves	80,756	1.27%	0.80%	159,574	2.20%	1.45%	80,756	0.89%	0.63%	159,574	1.60%	1.16%	80,756	0.89%	1.15%	159,574	1.64%	1.68%
Sub-total concerted shareholders	3,913,399	61.55%	75.16%	4,447,225	61.21%	73.81%	3,913,698	43.09%	59.22%	4,447,225	44.60%	59.26%	3,881,100	42.65%	58.67%	4,414,627	45.39%	59.88%
Climate Change Capital Private Equity LP	0	0	0	0	0	0	1,974,542	21.74%	15.38%	1,974,542	19.80%	14.38%	1,974,542	21.70%	15.05%	1,974,542	20.30%	14.36%
Climate Change Capital Private Equity Co-Investment LP	0	0	0	0	0	0	19,745	0.22%	0.15%	19,745	0.20%	0.14%	19,745	0.22%	0.15%	19,745	0.20%	0.14%
Oraxys Environment 1 SCA	0	0	0	0	0	0	664,762	7.32%	5.18%	664,762	6.67%	4.84%	664,762	7.31%	5.07%	664,762	6.83%	4.84%
Sub-total 2011 shareholders	0	0	0	0	0	0	2,659,049	29.28%	20.72%	2,659,049	26.67%	19.37%	2,659,049	29.22%	20.27%	2,659,049	27.34%	19.34%
Inocap	710,940	11.18%	7.03%	710,940	9.79%	6.45%	710,940	7.83%	5.54%	710,940	7.13%	5.18%	727,095	7.99%	5.54%	727,095	7.48%	5.29%
Efficap	604,674	9.51%	5.98%	604,674	8.32%	5.49%	604,674	6.66%	4.71%	604,674	6.06%	4.41%	604,674	6.65%	4.61%	604,674	6.22%	4.40%
Auris	362,196	5.70%	3.58%	362,196	4.99%	3.29%	362,196	3.99%	2.82%	362,196	3.63%	2.64%	334,815	3.68%	2.55%	334,815	3.44%	2.44%
Sub-total institutional shareholders	1,677,810	26.39%	16.59%	1,677,810	23.09%	15.22%	1,677,810	18.47%	13.07%	1,677,810	16.82%	12.22%	1,666,584	18.32%	12.70%	1,666,584	17.13%	12.12%
Employees and corporate officers (excluding concerted shareholders)	85,837	1.35%	0.85%	224,615	3.09%	2.04%	85,837	0.95%	0.67%	224,615	2.25%	1.64%	105,762	1.16%	1.20%	199,558	2.05%	1.82%
Other	681,197	10.71%	7.41%	915,650	12.06%	8.92%	745,391	8.21%	6.33%	963,609	9.66%	7.51%	786,542	8.65%	7.16%	786,542	8.09%	6.84%
Total	6,358,243	100.00%	100.00%	7,265,300	100.00%	100.00%	9,081,785	100.00%	100.00%	9,972,308	100.00%	100.00%	9,099,037	100.00%	100.00%	9,726,360	100.00%	100.00%

18.2 MAJOR SHAREHOLDERS NOT REPRESENTED ON THE EXECUTIVE BOARD OR THE SUPERVISORY BOARD

Two of the founder shareholders, Patrice Capeau and Michel Lopez, who hold 9.96% and 5.12% of the Company's capital, respectively, are not members of the Executive Board or the Supervisory Board.

Oraxys Environnement 1 SCA, Inocap, Efficap and Auris, financial shareholders which hold 9.47%, 6.28%, 5.22% and 2.89% of the Company's capital, respectively, are not members of the Executive Board or the Supervisory Board, although Grégory Fayolle, the Chief Executive Officer of Oraxys SA, has been appointed an Advisor (*censeur*).

Lastly, Guy Gendrot, who holds 2.29% of the Company's capital in a personal capacity, is not a member of the Executive Board or the Supervisory Board.

These figures take into account the resolutions (and the proposed amendments approved by the executive board at its meeting of 29 May 2013) expected to be adopted by the shareholders at the ordinary and extraordinary general meeting of 3 June 2013, subject to the condition precedent of the admission into trading of the Company's shares on the Euronext market of NYSE-Euronext in Paris.

18.3 VOTING RIGHTS HELD BY MAIN SHAREHOLDERS

A voting right that is twice the value of the right attached to other shares, based on the proportion of the share capital they represent, is allocated to all shares that have been fully paid-up, and have been held in registered form by the same shareholder for at least two years, provided the shareholder has French nationality or is a citizen of a Member State of the European Union or a State that is party to the agreement on the European Economic Area.

In the event of the conversion of class A shares into ordinary shares, this conversion will not interrupt the two-year holding period necessary to qualify for a double voting right, and the double voting right will be allocated on expiry of a two-year period running from the date of initial registration of the corresponding class A share, provided the holder of the ordinary shares continues to hold them in registered form until the end of said two-year period. In the event the class A shares have already been granted double voting rights, in accordance with the above terms and conditions, the double voting rights will remain attached to the ordinary shares created as a result of the conversion and held in registered form, but solely on the basis of one class A share for one ordinary share.

18.4 CONTROL OF THE COMPANY

As at the date of the initial public offering of the Company's shares on the Euronext market of NYSE-Euronext in Paris, taking account of the resolutions expected to be approved by the shareholders at the Company's ordinary and extraordinary general meeting to be held on 3 June 2013, which will be adopted subject to the condition precedent of the admission of the Company's shares to trading on the

regulated market of NYSE-Euronext in Paris, the Company will be controlled by the following concerted shareholders who will, at that date, hold 33.51% of the Company's capital and 42.17% of its voting rights in total:

- (vi) Pascal Gendrot;
- (vii) Patrice Capeau;
- (viii) Michel Lopez;
- (ix) Guy Gendrot; and
- (x) George Gonsalves.

A shareholders' agreement and a simplified shareholders' agreement currently exist, but will become null and void on the date of the admission of the Company's shares into trading on the Euronext market of NYSE-Euronext in Paris.

18.5 AGREEMENT THAT COULD RESULT IN A CHANGE IN CONTROL

With the exception of the bridge loan agreement described below in section 18.5, which will cease to be applicable when the Company's shares have been admitted to trading on the Euronext market of NYSE-Euronext in Paris, the Company has not entered into any agreements that might result in a change in control.

A bridge loan agreement was signed on 20 April 2013, and subsequently amended, between (i) the investment funds Climate Change Capital Private Equity LP, Climate Change Capital Private Equity Co-Investment LP, (ii) the Company, and (iii) its founders (Pascal Gendrot, Patrice Capeau and Michel Lopez), under which the shareholders who hold class A preference shares will be entitled to acquire the majority of the voting rights (but not the capital) in the event the Company fails, before 31 July 2013 or, in certain cases, by no later than 31 October 2013, (i) to obtain financing in the form of a loan, grant or injection of capital of at least €2 million, or (ii) to float the Company on the Euronext market of NYSE-Euronext in Paris, or (iii) to obtain a firm commitment for the contribution of capital funds of at least €10 million in the form of a private placement.

This agreement organises the transfer of control in terms of voting rights to the shareholders who hold class A preference shares through the stripping of double voting rights from the shares held by the founder shareholders, and a securities transfer in the form of a shareholder loan in favour of the shareholders who hold class A preference shares.

This agreement will not apply in the event the Company's shares are admitted to trading on the Euronext market of NYSE-Euronext in Paris.

Moreover, no specific provisions of the Company's document of incorporation, its Articles of Association, or any Company charter or rules and regulations can delay, defer or prevent any change in control of the Company.

19. AGREEMENTS WITH RELATED PARTIES

All regulated agreements in existence as at the date hereof are listed in the special report by the statutory auditor reproduced below.

19.1 INTRA-GROUP TRANSACTIONS

Not applicable, as the Company does not have any subsidiaries or equity interests.

19.2 AGREEMENTS WITH RELATED PARTIES

The Company has signed a service agreement with PG-Corporate, represented by Mrs Oger-Gendrot (the wife of Pascal Gendrot, Chairman of the Executive Board), to assist the Company in the recruitment of key personnel for Orège, as well as press relations and financial communications concerning the admission of the Company's shares to trading on the Euronext market of NYSE-Euronext in Paris, in liaison with a specialist agency. The agreement entered into effect on 1 January 2012 for an initial one-year period, renewable by mutual agreement on the same terms and conditions. It should nevertheless be noted that since the start of 2013, the sole purpose of the abovementioned service agreement is the provision of the press relations and financial communications services mentioned above, as Pascal Gendrot now has sole responsibility for the recruitment of key personnel.

The Company and the Benech law firm, whose founder partner is also a member of the Supervisory Board, have signed an agreement under which Benech provides the Company with intellectual and industrial property services.

19.3 REPORT BY THE STATUTORY AUDITORS ON THE REGULATED AGREEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

"To the shareholders,

In our capacity as statutory auditor of your Company, we hereby report on the regulated agreements.

We are required to present to you, on the basis of information provided to us, the features and main terms and conditions of the agreements we have been informed of or that we have identified in the course of our audit work. We are not required to comment as to whether they are beneficial or appropriate, or to ascertain the existence of any other agreements. It is your responsibility, in accordance with Article R.225-58 of the French Commercial Code (Code de commerce), to assess the benefits of these agreements prior to their approval.

In addition, we are required, where applicable, to provide you with the information referred to in Article R.225-58 of the Commercial Code concerning the continued performance during the past financial year of the agreements previously approved by the shareholders at a general meeting.

We followed the procedures which we considered necessary to comply with professional guidance given by the national auditing body (Compagnie Nationale des Commissaires aux Comptes) relating to this type of assignment. These procedures consisted in verifying that the information provided to us is consistent with the original documentation from which it was extracted.

AGREEMENTS SUBMITTED FOR APPROVAL BY THE SHAREHOLDERS

Agreements authorised during the past financial year

Pursuant to Article L.225-88 of the Commercial Code, we have been advised of the following agreements, which received prior authorisation from your Supervisory Board.

INTEREST ON SHAREHOLDERS' CURRENT ACCOUNT ADVANCES

Person concerned: Mr Pascal Gendrot

Nature, purpose, terms and conditions:

At its meeting of 3 July 2012, your Supervisory Board authorised, in connection with the action plan implemented in April 2012 to compensate for the delay in the payment of research tax credit receivables for 2010 and 2011 in an amount in excess of €2 million, and to improve the Company's cash flow in the short term, the remuneration of the shareholders' current accounts at a fixed rate of 5% of the amount contributed, i.e. €40,000 contributed by Mr Pascal Gendrot on 20 May 2012, and the payment of annual interest at 10% calculated monthly until the date of repayment. Your Supervisory Board also authorised the repayment of the advance in full after the payment of the research tax credit receivables or following completion of a share capital increase in the amount of at least €2 million, if this is carried out prior to payment of the research tax credit receivables.

Your Company recorded an interest expense of €6,896 for the financial year in connection with Mr Pascal Gendrot's current account agreements. As at the end of the financial year, Mr Pascal Gendrot's current account stood at €20,158.33. The invoices for services supplied by PG Corporate (described below) were credited to Mr Pascal Gendrot's current account throughout the financial year and totalled €69,140 (inclusive of VAT).

INTEREST ON RESCHEDULED DEBTS

Persons concerned: Mr Pascal Gendrot (PG Corporate), Mr Frédéric Benech, Climate Change Capital Private Equity and Oraxys Environnement

Nature, purpose, terms and conditions:

At its meeting of 3 July 2012, your Supervisory Board authorised, in connection with the action plan implemented in April 2012 to compensate for the delay in the payment of research tax credit

receivables for 2010 and 2011 in an amount in excess of €2 million, and to improve the Company's cash flow in the short term, the payment of interest on the Company's outstanding or future debts, repayment of which has been rescheduled in agreement with PG Corporate, Climate Change Capital and Oraxys. Interest was authorised at the rate of 10% per annum, to be calculated monthly until the date of repayment.

As at the date of the meeting, the outstanding amounts were:

PG Corporate	€23,468
Benech	€40,854
Climate Change Capital	€100,881
Oraxys	€11,176

Your Supervisory Board also authorised the repayment of the sums in full after the payment of the research tax credit receivables or following completion of a share capital increase in the amount of at least €2 million, if this is carried out prior to the payment of the research tax credit receivables.

However, these agreements were not implemented in the 2012 financial year.

CONSULTANCY AGREEMENT BETWEEN THE COMPANY AND JWH CONSULTING GMBH REPRESENTED BY MR JAMES HOTCHKIES

Person concerned: Mr James Hotchkies

Nature, purpose, terms and conditions:

On 11 May 2012, your company signed a consultancy agreement with JWH Consulting GmbH ("JWH"), represented by Mr James Hotchkies. JWH assists and advises the company when requested by the chairman of the Executive Board on the definition of its global strategy, fundraising, the recruitment of key personnel and relations with existing or future strategic investors. The agreement provides that Mr Hotchkies will devote between two and three days a month to the Company and will receive a fee of €1,500, excluding VAT, per day, plus travel expenses, with the exception of foreign travel for two days or more, for which €1,250, excluding VAT, will be charged per day. The agreement was signed for a term of one year, and is renewable on the same terms and conditions subject to the consent of both parties.

At its meeting of 3 July 2012, your Supervisory Board authorised this consultancy agreement.

For the financial year your company recorded total fees of €13,500, excluding VAT, and expenses of €5,326 in connection with the agreement with JWH Consulting. The balance of the trade payables account as at 31 December 2012 was €1,500, excluding VAT, representing a credit note to be received.

BRIDGE LOAN AGREEMENT RELATING TO THE FINANCING TRANSACTION TO BE ENTERED INTO BY CLIMATE CHANGE CAPITAL PRIVATE EQUITY LP AND CLIMATE CHANGE CAPITAL PRIVATE EQUITY CO-INVESTMENT LP WITH THE COMPANY.

Persons concerned: Climate Change Capital Private Equity LP, Climate Change Capital Private Equity Co-Investment LP, Oraxys Environnement 1 SCA, Messrs. Pascal Gendrot, Patrice Capeau, Michel Lopez, Guy Gendrot, the other holders of transferable securities giving access to the Company's capital.

Nature, purpose, terms and conditions:

At its meeting on 30 November 2012, your Supervisory Board authorised the signature of a Bridge Loan Agreement to cover cash flow needs and to ensure the Company's continued development. The lenders, i.e. Climate Change Capital Private Equity LP and Climate Change Capital Private Equity Co-Investment LP, agreed to lend Orège up to €2,000,000.

Your company entered into this loan agreement on 3 December 2012, with an option to subsequently convert the loan into convertible bonds.

The amounts received under this loan agreement are recognised under borrowings and financial debt as at 31 December 2012:

€1,292,710 for Climate Change Capital Private Equity LP

€12,927 for Climate Change Capital Private Equity Co-Investment LP.

On 28 January 2012 the loan was converted into convertible bonds.

Agreements that have not previously been authorised

Pursuant to Articles. L. 225-90, and L. 823-12 of the Commercial Code, we hereby inform you that the following agreement did not receive prior authorisation from your Supervisory Board.

It is our duty to inform you of the circumstances and reasons why the authorisation procedure was not followed.

PURCHASE OF A VEHICLE

Person concerned: Mr Pascal Gendrot

Nature, purpose, terms and conditions:

On 25 June 2012, your company bought a vehicle from Mr Pascal Gendrot at a price of €10,600, which price was determined on the basis of the Argus official second-hand car price listing.

The authorisation procedure was not followed because the Company believed that this agreement, which was entered into at arms' length, did not require prior approval.

AGREEMENTS ALREADY APPROVED BY THE SHAREHOLDERS

Pursuant to Article R.225-57 of the Commercial Code, we have been advised of the continued performance of the following agreements, already approved by the shareholders in previous years.

BENEFITS IN KIND GRANTED TO MR PASCAL GENDROT

Following the suspension of Mr Pascal Gendrot's contract of employment for the term of his office as Chairman of the Executive Board, your Supervisory Board authorised the following benefits in kind (i) the benefit of a supplementary pension plan, (ii) the use of a company car, (iii) the benefit of a loss of employment insurance policy taken out by the Company (i.e., with GSC). As the private insurance policy provides for a 12-month qualification period, your Supervisory Board decided to pay compensation in the event of the loss of his corporate office, irrespective of the reason, for a 23-month period from the date of loss of the corporate office, guaranteeing the payment of an amount equal to the amount that would be paid by ASSEDIC in unemployment benefits. This amount will be paid monthly, after deduction of any professional income or replacement income received.

Your Company recorded expenses for the financial year of €3,768 for the company car and €6,674 for the loss of employment insurance cover. Mr Pascal Gendrot also benefits from the supplementary pension scheme operated by the Company for all its employees.

CONTRACTS OF EMPLOYMENT WITH OTHER MEMBERS OF THE EXECUTIVE BOARD AND BENEFITS IN KIND

Mr Patrice Capeau

Your Supervisory Board authorised the payment of a gross annual remuneration of €115,000 under his contract of employment. In addition, Mr Capeau benefits from a supplementary pension plan and has the use of a company car. At its meeting of 2 December 2011, your Supervisory Board decided that the amount of remuneration would remain unchanged; the variable remuneration will be set after final delivery and acceptance of the Chimex and La Crau lines.

At its meeting of 3 July 2012, your Supervisory Board recorded that Mr Capeau was not owed any variable remuneration for the financial year ended 31 December 2011.

At its meeting of 20 December 2012, your Supervisory Board recorded for the financial year ended 31 December 2012 that no variable remuneration was owed on the basis of the Company's performance, and further recorded the payment of variable remuneration in the amount of €6,325 on the basis of individual targets achieved.

For the financial year, your Company recorded expenses of €121,325 corresponding to Mr Capeau's gross salary, and €3,702 for the use of the company car. Mr Patrice Capeau also benefits from the supplementary pension scheme operated by the Company for all its employees.

Patrick Lanoizelée

Your Supervisory Board authorised the continued performance of Patrick Lanoizelée's contract of employment in conjunction with his office as a member of the Executive Board. It decided to adjust the gross annual remuneration received under his contract of employment to €111,240. He also has the benefit of a supplementary pension plan, and the use of a company car. At its meeting of 2 December 2011, your Supervisory Board decided that the amount of remuneration would remain unchanged; the variable remuneration will be set after final delivery and acceptance of the Chimex and La Crau lines.

At its meeting of 3 July 2012, your Supervisory Board recorded that Mr Capeau was not owed any variable remuneration for the financial year ended 31 December 2011.

At its meeting of 20 December 2012, your Supervisory Board recorded, firstly, that Mr Patrick Lanoizelée was no longer a Company employee, with effect from 14 December 2012, pursuant to a settlement agreement signed with the Company, and, secondly, that he resigned from his office as a member of the Executive Board with effect from 14 December 2012.

For the financial year your Company recorded expenses of €95,551, corresponding to Mr Lanoizelée's gross salary, €34,100, corresponding to contractual severance pay, and €4,277 for the use of the company car. Mr Patrick Lanoizelée also benefits from the supplementary pension scheme operated by the Company for all its employees.

INVESTMENT AGREEMENT

Persons concerned: Messrs Pascal Gendrot, Patrice Capeau, Michel Lopez, Patrick Lanoizelée

Nature, purpose, terms and conditions:

In connection with the investment by Climate Change Capital Private Equity LP, Climate Change Capital Private Equity Co-Investment LP and Oraxys Environment 1 SCA, an Investment Agreement was signed by the investors and the guarantors, including the aforementioned persons concerned by this agreement.

Under this agreement, your Company and the guarantors gave a number of guarantees, on the understanding that they would not be committed with regard to such guarantees for an amount in excess (i), as regards your Company, of the total annual gross remuneration received by the guarantors for the year preceding the call on the guarantee, and (ii) as regards the guarantors, their

respective gross annual remuneration for the year preceding the call on the guarantee, although it was also agreed that the maximum limit placed on the sums payable by the guarantors would not apply in respect of certain specific guarantees, namely: the guarantees relating to the capitalisation table, and the guarantees relating to the validity of the issue of preference shares and cases of fraud.

No calls were made on the guarantees during the financial year.

SHAREHOLDERS' AGREEMENT

Persons concerned: Messrs Pascal Gendrot, Patrice Capeau, Michel Lopez, Patrick Lanoizelée

Nature, purpose, terms and conditions:

A shareholders' agreement was signed by the investors, a group of shareholders including the above persons and your Company at the time of the investment transaction described above.

Your Company is only a party to this agreement to the extent that it accepts (i) the benefit of the promises concerning securities in the event of the departure of a founder, (ii) the various undertakings given by the founders and the key individuals under the agreement, and (iii) its duties as agent under the shareholders' agreement, including in particular the task of recording various parties' acceptance of the agreement.

No accounting entries were made during the financial year in connection with this agreement.

SERVICE AGREEMENT WITH PG-CORPORATE EURL

Person concerned: Mr Pascal Gendrot

Nature, purpose, terms and conditions:

Your Company signed a service agreement with PG-Corporate, represented by Mrs Oger-Gendrot, Pascal Gendrot's wife, to manage the recruitment of key personnel for Orège as well as press relations, in liaison with a specialist agency. The agreement entered into effect on 1 January 2012 for an initial one-year term, renewable by mutual agreement on the same terms and conditions. The cost of this service for Orège is €640, excluding VAT, per day, excluding all disbursements, which are charged on an actual cost basis.

This agreement was approved by the Supervisory Board on 21 October 2011.

For the 2012 financial year, your Company recorded a marketing outsourcing expense of €57,809, excluding VAT, in connection with this service agreement. Invoices issued in 2012 were credited to Mr Pascal Gendrot's current account throughout the year, and the balance of the trade payables account as at 31 December 2012 was zero.

RECORD OF ASSIGNMENT OF RIGHTS TO INVENTIONS

Persons concerned: Messrs Pascal Gendrot, Patrice Capeau and Michel Lopez

Nature, purpose, terms and conditions:

At the time of the investment transaction an agreement entitled "Record of assignment of rights to inventions" was signed with the Company on 26 April 2011 by Messrs Pascal Gendrot, Patrice Capeau and Michel Lopez, as the inventors or co-inventors of several inventions for which patent applications (5 in all) have been filed by Orège. This document confirms, for all useful purposes, the assignment of their rights to the aforementioned inventions and records the terms and conditions of their remuneration and/or financial reward in view of their status as inventors.

No remuneration or financial rewards were paid in 2012.

SHAREHOLDERS' CURRENT ACCOUNT AGREEMENT

Persons concerned: Messrs Patrice Capeau and Patrick Lanoizelée

Nature, purpose, terms and conditions:

At its meeting of 24 November 2010, your Supervisory Board decided that all current accounts existing as at that date would be remunerated at 5%.

The balances of the current accounts held by Messrs Capeau and Lanoizelée as at 31 December 2012 were zero, and no related interest expense was recorded in 2012.

Versailles, 19 April 2013

BDO FRANCE - ABPR ILE DE FRANCE

Represented by Philippe Benech

Statutory Auditor"

20 FINANCIAL INFORMATION ON THE ISSUER'S ASSETS, FINANCIAL POSITION AND RESULTS

20.1 HISTORICAL FINANCIAL INFORMATION

20.1.1 IFRS-compliant annual financial statements for the years ended 31 December 2012 and 31 December 2011

1. STATEMENT OF FINANCIAL POSITION (amounts in €)

1.1 Assets

ASSETS	Notes	31/12/2012	31/12/2011
Non-current assets			
Net intangible assets	4	9,739,645	7,097,467
Net tangible fixed assets	5	1,587,702	1,457,715
Other non-current assets	6	35,872	21,528
Deferred tax assets		3,579,405	2,508,249
TOTAL NON-CURRENT ASSETS		14,942,624	11,084,959
Current assets			
Inventories and work in progress		541,922	693,501
Trade receivables and related accounts	7	125,346	575,344
Research tax credit receivables	7	3,404,161	2,235,919
Other current assets	7	910,167	1,198,236
Cash and cash equivalents	8	51,664	1,510,195
TOTAL CURRENT ASSETS		5,033,261	6,213,195
TOTAL ASSETS		19,975,885	17,298,154

1.2 Liabilities

LIABILITIES AND SHAREHOLDERS' EQUITY	Notes	31/12/2012	31/12/2011
Shareholders' equity			
Share capital	9	2,274,759	2,270,446
Additional paid-in capital		9,085,264	9,072,692
Reserves and retained earnings		-1,145,412	-692,892
Restated reserves		-1,047,128	-212,509
Fair-value reserves		0	0
Net profit for the period		-1,658,223	-1,436,570
TOTAL SHAREHOLDERS' EQUITY		7,509,260	9,001,167
Non-current liabilities			
Borrowings	10	941,810	1,269,182
Long-term financial debt		0	0
Provisions for retirement and other employee benefits	11	23,320	10,836
Deferred tax liabilities		698,664	346,006
Other non-current liabilities and provisions		0	0
TOTAL NON-CURRENT LIABILITIES		1,663,794	1,626,024
Current liabilities			
Bank overdrafts and other borrowings	10	2,494,001	246,277
Short-term financial debt		1,329,994	13,946
Trade payables	12	993,977	1,142,011
Current tax liabilities	12	591,606	797,593
Other current liabilities	12	5,393,253	4,471,135
TOTAL CURRENT LIABILITIES		10,802,832	6,670,962
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		19,975,885	17,298,154

2. STATEMENT OF COMPREHENSIVE INCOME (amounts in €)

INCOME STATEMENT	Notes	31/12/2012	31/12/2011
Revenue	13	1,053,800	1,259,614
Cost of sales		675,475	1,180,352
Gross profit		378,325	79,262
Personnel expense	15	-1,032,988	-1,205,742
Other operating expense	17	-871,786	-476,854
Depreciation and amortisation charges		-738,361	-419,844
Other operating income		901	-2,336
Operating profit		-2,265,711	-2,020,842
Income from cash and cash equivalents	18	1,072	39,944
Interest expense	18	-115,134	-43,035
Cost of net financial debt		-114,062	-3,091
Other financial income and expense			
Financial income		-114,062	-3,091
Pre-tax profit		-2,379,773	-2,023,933

Income taxes	19	6,256	0
Deferred taxes	19	715,294	587,363
Net profit		-1,658,223	-1,436,570
Earnings per share			
Weighted average number of shares issued		9,084,394	7,719,969
Earnings per share (€)	22	-0.18	-0.19
Average diluted number of shares		9,971,344	8,687,564
Diluted earnings per share (€)	22	-0.17	-0.17

3. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (amounts in €)

	Number of shares (Note 9)	Amounts	Additional paid-in capital	Reserves and retained earnings	Restated reserves	Profit	Total shareholders' equity
At 1 January 2011	6,358,243	1,589,561	3,490,882	-1,851,909	759,548	-1,355,300	2,632,782
Profit allocation N-1				-170,507	-1,184,793	1,355,300	0
Profit for the year						-1,436,570	-1,436,570
Share-based payments					212,736		212,736
Capital increases	2,723,542	680,886	6,091,979	1,329,524			8,102,388
Capital increase costs			-765,253				-765,253
Corporation tax savings on capital increase costs			255,084				255,084
At 31 December 2011	9,081,785	2,270,446	9,072,692	-692,892	-212,509	-1,436,570	9,001,167
Profit allocation N-1				-452,520	-984,050	1,436,570	0
Profit for the year						-1,658,223	-1,658,223
Share-based payments					149,430		149,430
Capital increases	17,252	4,313	18,978				23,291
Capital increase costs			-9,609				-9,609
Corporation tax savings on capital increase costs			3,203				3,203
At 31 December 2012	9,099,037	2,274,759	9,085,264	-1,145,412	-1,047,128	-1,658,223	7,509,260

4. STATEMENT OF CASH FLOWS (amounts in €)

	Notes	31/12/2012	31/12/2011
Net profit		-1,658,223	-1,436,570
Depreciation and amortisation charges and allocations to provisions		738,361	419,844
Capital gains or losses on disposals		295	-349
Unrealised gains and losses related to changes in fair value			
Income and expense calculated in relation to stock options and similar		149,430	212,736
Expense related to retirement obligations and similar benefits		12,484	5,264
OPERATING CASH FLOW AFTER THE COST OF NET DEBT AND TAXES		-757,653	-799,074
Cost of net financial debt		-114,062	-3,091
Taxes (including deferred taxes)		-715,294	-587,363
OPERATING CASH FLOW BEFORE THE COST OF NET DEBT AND TAXES		-1,358,885	-1,383,347
Financial income received and expense paid		-97,352	-5,099
Tax credit received		6,256	
Change in research tax credit receivable		-1,204,607	-1,200,276
Change in working capital requirements		1,510,218	879,394
CASH FLOWS RELATED TO OPERATING ACTIVITIES (1)		-1,144,370	-1,709,327
Purchases of tangible fixed assets		-809,375	-1,647,193
Purchases of intangible assets		-2,664,730	-2,805,057
Proceeds from the sale of tangible fixed assets		22,770	92,658
Other cash flows related to investing activities			
CASH FLOWS RELATED TO INVESTING ACTIVITIES (2)		-3,451,335	-4,359,592
Increase/decrease in shareholders' equity		23,291	8,102,388
		-9,609	-765,251
Dividends paid during the year			
Proceeds from new borrowings		2,151,590	872,410
Loan repayments		-329,020	-527,674
Increase in repayable advances			100,000
Decrease in repayable advances			
Decrease in bank overdrafts			-110,536
Other cash flows related to financing activities		1,300,922	-92,222
CASH FLOWS RELATED TO FINANCING ACTIVITIES (3)		3,137,174	7,579,115
CHANGE IN CASH AND CASH EQUIVALENTS (1) + (2) + (3)		-1,458,531	1,510,195
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		1,510,195	0
CASH AND CASH EQUIVALENTS AT END OF PERIOD		51,664	1,510,195
NET CASH FLOWS		-1,458,531	1,510,195

NOTES TO THE FINANCIAL STATEMENTS

Note 1: The Company

Founded in 2004, Orège SA (the "Company") is a French-law company that develops and markets innovative solutions and products for the treatment of complex effluent and sludge.

Orège designs, develops, industrialises and sells solutions enabling industrial companies and local authorities to respond better to new regulatory and environmental requirements and to reduce their effluent and sludge treatment costs. For this purpose, the Company uses two particularly innovative patented disruptive technologies:

SOFHYS - the technology used to treat complex, toxic or non-biodegradable industrial effluent; and
SLG - the conditioning and pre-treatment solution for dewatering municipal and industrial sludge.

From its creation in 2009, Orège focused on researching and developing its two technologies. From 2010, the Company moved on to the industrial development phase of its two tools, and it now focuses on equipping its first customer sites and on commercial roll-out in France and abroad.

Orège harnesses a wide range of scientific and technical expertise:

- ☐ Skills borrowed from specialist chemistry, particularly electrochemistry;
- ☐ The expertise of those who treat complex industrial effluent;
- ☐ The highly skilled areas of drilling, oil production and petrochemicals.

Orège is at the heart of a sector that is changing: water becoming increasingly scarce, regulatory pressure (prevention of uncontrolled and illegal emissions), and financial pressure on industrial companies and local authorities.

These companies and authorities now adopt economic and ecological values, whether these are brought about by increasingly strict regulation, economic factors or a deliberate choice. In order to help them, Orège provides solutions for inefficient, expensive or limited-capacity wastewater and sludge treatments.

Orège is an all-around firm that offers its customers a full range of solutions from process development (physicochemical analysis, customised treatment, pilots) to equipment operation and maintenance, and from industrial design to the provision of turnkey systems.

Note 2: Adoption of IFRS

Background

Orège, which has no subsidiaries or equity interests, is obliged to prepare corporate financial statements in accordance with French GAAP. However, as part of the Company's plans to float on the stock market and for the purpose of this registration document, Orège wanted to voluntarily prepare restated IFRS-compliant financial statements for 2011 and 2012, covering the same 12-month periods from January 1 to December 31, in order to present financial and accounting data that are more easily comparable with most companies in its sector, especially those listed on the stock exchange. The IFRS-compliant financial statements presented herein refer exclusively to the operations of Orège.

The restated IFRS-compliant financial statements were approved by the Executive Board on 15 April 2013. They are not subject to approval by the shareholders' general meeting.

The Company's first IFRS-compliant financial statements

The financial statements presented were prepared in accordance with *IFRS 1 - "First-time Adoption of International Financial Reporting Standards"*. They are supplementary to the Company's historical corporate financial statements, which are prepared in accordance with French GAAP.

The transition date adopted by the Company is 1 January 2011. Please see note 4 below for more information about the choice of this date, which does not correspond to a reporting date for the corporate financial statements.

IFRS 1 provides for exceptions to retrospective application of IFRS at the transition date. These exemptions were not applicable to the Company.

Periods presented

The restated IFRS-compliant financial statements for 2011 and 2012 refer to comparable 12-month periods from January 1 to December 31.

For 2012, the restated IFRS-compliant financial statements cover the same period as the most recent corporate financial statements as at 31 December 2012. The 2011 IFRS-compliant financial statements refer to the Company's operations between 1 January and 31 December 2011, while the corresponding corporate financial statements cover a 15-month financial year from 1 October 2010 to 31 December 2011. For the IFRS opening statement of financial position at 1 January 2011 and the 2011 IFRS-compliant financial statements, as well as the restatements required by IFRS adoption, Orège had to determine income, expense and results for the fourth quarter of 2010 in the corporate financial statements as at 31 December 2011, in order to include them in shareholders' equity in the IFRS opening statement of financial position and to exclude them from the restated IFRS-compliant 2011 results.

Standards and interpretations

The IFRS-compliant Orège financial statements incorporate the mandatory international accounting standards (IAS and IFRS) and interpretations (of the SIC and IFRIC) applicable as at 31 December 2012, as adopted by the European Union.

These are available on the European Commission's website:
http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm.

The Company has decided against the early adoption of new standards, amendments and interpretations that are yet to be adopted by the EU or whose mandatory adoption is later than 31 December 2012.

The following standards have been adopted by the EU but their application is not mandatory for financial years beginning on 1 January 2012:

- New or revised standards affecting consolidation methods:
 - IFRS 10 - "Consolidated Financial Statements";
 - IFRS 11 - "Joint Arrangements";
 - IFRS 12 - "Disclosure of Interests in Other Entities";
 - Revised IAS 27 "Separate Financial Statements";
 - Revised IAS 28 "Investments in Associates and Joint Ventures".

These are not applicable to Orège as the Company had no subsidiaries or equity interests as at 31 December 2012.

- Other standards:
 - Amended IAS 1 "Presentation of Items of Other Comprehensive Income";
 - Amended IAS 19 "Employee Benefits";
 - Amended IFRS 7 - "Disclosures - Offsetting Financial Assets and Financial Liabilities";
 - Amendment to IAS 12 "Deferred Tax: Recovery of Underlying Assets", published on 20 December 2010
 - IFRS 13 - "Fair Value Measurement";
 - Amended IAS 32 - "Offsetting Financial Assets and Financial Liabilities";
 - IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine".

Management believes that the application of these standards will not have a material effect on Orège's financial statements.

Note 3: Accounting principles

3.1 General accounting principles

The financial statements are presented in €.

The restated IFRS-compliant financial statements were prepared in accordance with the IFRS general principles: fair presentation, going concern, accrual basis of accounting, consistency of presentation, materiality and aggregation.

The Executive Board upheld the going-concern principle on account of the following factors:

- The Company's historical loss-making position is the result of the innovative nature of its products, which require several years of research and development before they can be marketed.
- The Company should be able to meet its cash requirements over the next 12 months because of: the liquidity available at 31 December 2012, payment of the balance of a loan from a shareholder for €782,000 and the conversion of the overall balance of this loan into a convertible bond in the amount of €2.147 million on 28 January 2013, the repayment of research tax credits for 2010, 2011 and 2012 in the amount, net of OSEO financing, of around €1.7 million, existing financing arrangements with OSEO and Coface, and current account advances from some shareholders.
- In order to cover future requirements, the Company is preparing to list its shares on the NYSE Euronext market in Paris by the end of the first half of 2013; the capital resulting from this IPO should enable the Company to develop its business and ensure future profitability.

3.2 Intangible assets

In accordance with IAS 38, intangible assets are recognised at cost as assets on the statement of financial position.

Research and development costs

In accordance with IAS 38, development costs are recognised in intangible assets only if the Company can demonstrate all of the following:

- (a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (b) its intention to complete the intangible asset and use or sell it;
- (c) its ability to use or sell the intangible asset;
- (d) how the intangible asset will generate probable future economic benefits;
- (e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

- (f) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

The Company considers that these six criteria pursuant to IAS 38 have been met, and it therefore recognises development costs in intangible assets.

Research and development costs for the year ended 31 December 2012 related to projects that were not ready to be used or sold because they were not in a situation to be exploited in the manner envisaged by the Company's management. These assets were therefore subjected to an impairment test pursuant to IAS 36. The recoverable value of these assets is determined using cash flows estimated generally on the basis of five-year budgets or plans. Beyond this five-year period, cash flows are extrapolated using a constant or decreasing growth rate and discounted using long-term, post-tax market rates, reflecting market estimates of the time value of money and the specific risks of SOFHYS and SLG procedures. The resulting recoverable value is subjected to sensitivity analysis of the discount rate and the growth rate to infinity used.

Patents

The costs of filing patents are recorded under assets on the basis of costs incurred. They are amortised on a straight-line basis over 20 years.

Other intangible assets

Intangible assets purchased separately by the Company are recognised at cost. Concessions, licences and software are amortised over their expected useful lives.

3.3 Tangible fixed assets

Tangible fixed assets are measured at their acquisition or production cost.

They are depreciated on a straight-line basis over their estimated useful lives. Assets acquired under a finance lease are depreciated over their useful lives or the duration of the lease, whichever is shorter.

The following useful lives are applicable:

Buildings	6 years
Test units	2 or 3 years
Electrodes	1 year
Industrial equipment, laboratory equipment and fittings	2 or 3 years
Fixtures and fittings	6 years
Furniture	5 years
Vehicles	4 years

Tangible fixed assets is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss from the derecognition of an asset (calculated as the difference between the net proceeds of disposal and the carrying amount of the asset) is included in the income statement in the year of derecognition.

The residual values, useful lives and depreciation methods of assets are reviewed, and modified if necessary, at the end of each year. These changes are treated as changes in estimates in accordance with IAS 8.

3.4 Recoverable value of non-current intangible assets and tangible fixed assets

Intangible assets and tangible fixed assets with a finite useful life are subjected to an impairment test if the recoverability of their carrying amount is called into question by indicators of impairment. Impairment is recognised in the amount of the excess of the carrying amount over the asset's recoverable value. The asset's recoverable value is its fair value less costs to sell or its value in use, whichever is higher.

3.5 Inventories and work in progress

Inventories are recognised at cost or net realisable value, whichever is lower. If they are recognised at net realisable value, the impairment is recorded on the income statement. Inventories are measured using historical-cost and FIFO methods.

3.6 Cash and cash equivalents

Cash equivalents are held for the purpose of covering short-term liquidity requirements rather than for investment or other purposes. They can be readily converted to known amounts of cash and have an insignificant risk of change in value. Cash and cash equivalents comprise cash on hand, time deposits that can be withdrawn immediately and with no penalty, and marketable securities. They are measured in accordance with the IAS 39 categories into which they fall. Marketable securities can be readily converted to known amounts of cash and have an insignificant risk of change in value. They are measured at fair value, and any changes in value are recorded in financial income.

3.7 Share capital

Ordinary shares are recorded in shareholders' equity. Equity transaction costs directly attributable to the issue of new options or shares are recognised in shareholders' equity as a deduction from the issuance proceeds, net of tax.

The share capital is made up of ordinary shares and preference shares. In accordance with the Articles of Association, some ordinary shares have double voting rights. The main characteristics of the preference shares are specified in note 9.1.

3.8 Share-based payments

Since it was founded, the Company has implemented several share-based remuneration plans in the form of founders' share subscription warrants granted to employees and/or executives (BSPCEs) and of share subscription warrants granted to non-employee members of the Supervisory Board (BSAs). In accordance with IFRS 2, the cost of share-based transactions is recognised as an expense, against an increase in shareholders' equity, over the vesting period.

The Company applies IFRS 2 to all equity instruments granted to employees, executives or Supervisory Board members since 2008.

The options are not subject to any market or performance-related conditions. The characteristics of the options are described in note 16.

3.9 Measurement and recognition of financial liabilities

Financial liabilities at amortised cost

Borrowings and other financial liabilities are measured initially at fair value and subsequently at amortised cost, calculated using the effective-interest method.

Transaction costs directly attributable to the acquisition or issue of a financial liability are deducted from the amount of said liability. These costs are then amortised on an actuarial basis over the life of the liability, using the effective-interest method.

The effective interest rate matches the expected future cash payments to the current net carrying amount of the liability in order to determine its amortised cost.

Liabilities at fair value through profit or loss

Liabilities at fair value through profit or loss are measured at fair value.

3.10 Grants and conditional advances

The Company receives aid in the form of grants and conditional advances. More detail on this aid can be found in note 10.1.

Grants are recognised where there is a reasonable assurance that:

- the Company will meet the conditions of the grant; and
- the grant will be received.

Government grants to be received either as compensation for expenses or losses already incurred, or as immediate financial aid with no related future costs, are recognised in income in the year in which they become receivable.

The amount resulting from the favourable interest rate obtained on repayable advances is considered to be a grant. This favourable rate is determined by applying a discount rate equal to similar government bond rates over the repayment period.

If the repayment schedule changes, the Company recalculates the net carrying amount of the liability resulting from the discounting of the revised expected future cash flows. The resulting adjustment is recognised in the income statement for the year in which the modification is made.

Orège enjoyed Young Innovative Company status between 2005 and 2012. This allowed it to benefit from lower social security charges for employees dedicated mainly to R&D projects.

3.11 Provisions

Provisions for risks and charges

Provisions for risks and charges refer to obligations arising from various risks, where the due date and amount are uncertain.

A provision is recognised where the Company has a legal or constructive obligation to a third party resulting from a past event where it is probable or certain that an outflow of economic resources to said third party will arise from the obligation (with no equal or greater inflow expected to be received from said third party), and where future outflows can be reliably estimated.

The provision amount is the best estimate of the expense required to settle the obligation.

Retirement obligations

The Company's employees are entitled to statutory French retirement benefits:

- a lump sum paid by the Company upon their retirement (defined-benefit scheme); and
- a pension paid by the social security authorities and funded by employer and employee contributions (defined-contribution scheme).

The cost of retirement benefits in a defined-benefit scheme is estimated using the projected unit credit method. Under this method, the cost is recorded in the income statement in such a way as to spread it evenly over the employee's career at the Company. Retirement obligations are measured at the present value of estimated future payments, discounted using the market rate based on long-term investment grade corporate bonds with a duration equal to the estimated benefit payment period.

The difference between the provision amount at the start of the year and the end of the year is recognised in full in personnel expense. To date, the actuarial effect is immaterial.

The Company's payments under defined-contribution schemes are recorded as expenses in the income statement for the period to which they relate.

3.12 Revenue from ordinary activities

The Company's revenue comes essentially from the sale and lease of SOFHYS and SLG treatment lines and units, as well as from related services.

The Company recognised its main engineering contracts taking into account an analysis based on both substance and IAS 11 requirements regarding recognition by reference to the stage of completion of construction contracts (long-term contracts).

In accordance with IAS 11, a construction contract is a contract specifically negotiated for the construction of an asset or a group of assets that are interrelated or interdependent in terms of conception, technology and function, or purpose or use.

Revenue from the contract is measured at the fair value of the consideration received or receivable.

The stage of completion can be determined in various ways. The Company uses the method that most reliably measures work carried out. Depending on the nature of the contract, these methods may include:

- b) the ratio between costs incurred for work carried out to date and estimated total contract costs;
- c) surveys of works carried out; or
- d) completion of a physical proportion of the contract work.

The Company recognises revenue from engineering contracts when the amount can be measured reliably, when it is probable that the future economic benefits will accrue to the Company and when the specific criteria for the Company's business have been met.

The revenue and gross profit generated by contracts for the sale of SOFHYS fixed treatment units are recognised based on the stage of completion.

This stage of completion is assessed by taking into account direct costs incurred, time spent by teams working on the job, and services and/or purchases from suppliers involved in the manufacture of the treatment line. Revenue from the sale of equipment and from related installation services is recognised only once the technical targets specified in the contract for the different lots have been

reached and when the customer has provided a positive assessment, enabling validation of entry into service and sale, as well as commencement of work or services on subsequent stages.

Determining the percentage of completion and revenue to be recognised depends on many estimates based on monitoring work and using experience to take risks into account. As a result, there may be changes to initial estimates throughout the duration of the contract.

Revenue from services is recognised as and when the service is provided.

After entry into service, the contracts agreed by the Company include the lease of certain equipment and the provision of support services. Revenue is recognised over the duration of the lease for leased assets and as and when the services are provided.

3.13 Other revenue

Grants

Since its creation, and on account of its innovative nature, the Company has received grants and aid from national and local government aimed at funding its operations or specific recruitment drives.

These grants are recognised in "Other revenue" in the year in which the corresponding expenses or charges were incurred, where there is a reasonable assumption that the grant will be received.

Research tax credit

The Research Tax Credit (CIR) is granted to companies by the tax authorities to encourage them to conduct technical and scientific research and development. Companies with expenses that meet certain criteria (research and development expenses incurred in France or, since 1 January 2005, in the EU or in another country in the European Economic Area which has a tax treaty with France that contains an administrative assistance clause) receive a tax credit that can be used to pay corporation tax due for the year in which the expenses were incurred and for the three following years. Unused tax credits can be refunded, where applicable. Only research and development expenses are taken into account when calculating CIR.

The Company has benefited from research tax credits since its creation.

The CIR, which is recognised as a tax receivable in the Company's financial statements, is treated as a grant pursuant to IAS 20. The CIR refers mainly to development costs that the Company recognises in intangible assets and tangible fixed assets; it is therefore recognised in deferred income (liabilities) to the extent that the assets it covers are not amortised or depreciated. It is then recorded on the income statement in line with the amortisation or depreciation schedule of the assets concerned.

The Company received the CIR refund for 2008 and 2009 in the year after the end of the financial years concerned. It has requested a CIR refund for 2010, 2011 and 2012 under the Young Innovative Company or EU SME schemes in accordance with applicable legislation. These receivables are yet to be refunded, as explained in note 7.2.

3.14 Lease agreements

Lease agreements for tangible fixed assets are classed as finance leases where the Company assumes substantially all the risks and benefits of ownership. The assets under the lease are capitalised as at the lease start date at their fair value or the discounted value of future minimum payments, whichever is lower. Each lease is split into the principal amount and the financial expense in order to determine a constant interest rate on the outstanding capital. The corresponding lease obligations, net of financial expense, are classed as other long-term debt. The portion of financial expense corresponding to the interest is recorded as an expense over the duration of the lease agreement. The asset acquired under a finance lease is depreciated over its useful life or the duration of the lease, whichever is shorter.

Lease agreements where a significant portion of the risks and benefits is retained by the lessor are classed as operating leases. Net of any incentive, payments under an operating lease are recognised in expenses in the income statement on a straight-line basis over the duration of the lease.

3.15 Taxes

Income taxes

Deferred taxes arise from any temporary difference resulting from the difference between the tax base and the carrying amount of the assets and liabilities included in the financial statements. The main temporary differences relate to tax loss carryforwards. Deferred taxes are calculated based on the tax rates enshrined in law at the reporting date.

Deferred tax assets are recognised to the extent that it is probable that future profits will be sufficient to absorb the tax loss carryforwards.

3.16 Segment information

The Company operates in just one segment: the conduct of research and development on products and solutions for treating and recovering complex industrial effluent and sludge. The assets, liabilities and operating losses for the two years under review refer only to France.

3.17 Items of other comprehensive income

Any components of income and expense for the period that are not recognised in the income statement pursuant to the applicable standards are recognised under "Items of other comprehensive income"

3.18 Critical accounting estimates and judgements

The estimates and judgements made by management when implementing the accounting methods described above are based on historical information and on other factors, particularly the anticipation of future events that are deemed to be likely given the current circumstances. These estimates and judgements refer essentially to:

- the fair-value measurement of the BSPCEs granted to employees and/or executives and the BSAs granted to non-employee Supervisory Board members, which is performed on the basis of actuarial models; these models require the Company to use certain assumptions such as the expected volatility of the shares;
- the estimate of repayment flows relating to repayable advances that the Company receives from government bodies; these repayment flows are analysed at the end of each year.
- the recoverable amount of development costs and the total amount of deferred tax assets that can be allocated to future taxes. These estimates depend on the Company's projected business plan;
- the recognition of construction contract revenue.

3.19 Events subsequent to the reporting period

The Company's statement of financial position and income statement are adjusted to reflect events subsequent to the reporting period which alter the amounts as at the reporting date. These adjustments take place up to the date of approval of the financial statements by the Executive Board.

Events subsequent to the reporting period not resulting in any adjustments are described in note 24.

Note 4 Intangible assets

Intangible assets break down as follows:

Type	Research and development costs	Software	Websites	Patents and trademarks	Total
Gross carrying amount					
At 31 December 2010	4,033,642	7,697	28,250	295,586	4,365,175
Increases	2,764,303		9,346	31,408	2,805,057
Internally developed assets					-
Disposals					-
Other changes					-
At 31 December 2011	6,797,945	7,697	37,596	326,995	7,170,232
Increases	2,630,747		2,336	31,647	2,664,730
Internally developed assets					-
Disposals					-

Other changes					-
At 31 December 2012	9,428,692	7,697	39,932	358,641	9,834,962
Amortisation and impairment losses					-
At 31 December 2010		2,456	19,692	23,876	46,025
Increases		3,591	9,789	13,360	26,740
Internally developed assets					-
Disposals					-
Other changes					-
At 31 December 2011	0	6,048	29,481	37,236	72,765
Increases		1,649	3,336	17,567	22,552
Internally developed assets					-
Disposals					-
Other changes					-
At 31 December 2012	0	7,697	32,817	54,803	95,317
Net carrying amount					
At 31 December 2010	4,033,642	5,240	8,558	271,710	4,319,150
At 31 December 2011	6,797,945	1,649	8,114	289,758	7,097,467
At 31 December 2012	9,428,692	0	7,115	303,839	9,739,645

No impairment losses were recognised over the two years under review pursuant to IAS 36.

Note 5 Tangible fixed assets

Tangible fixed assets breaks down as follows:

Type	Fixtures and fittings	Industrial equipment	Transport equipment	Office and computer equipment	Assets under construction	Total
Gross carrying amount						
At 31 December 2010	87,217	1,013,022	59,171	45,250	33,564	1,238,224
Increases	10,936	832,202	89,434	12,623	782,375	1,727,570
Internally developed assets						-
Disposals	0	-45,782	-35,959	-9,237		-90,978
Other changes						-
At 31 December 2011	98,154	1,799,442	112,647	48,636	815,939	2,874,817
Increases	11,670	529,090	12,778	19,920	320,821	894,279
Internally developed assets						-
Disposals	0	0	-8,300	-19,402		-27,702
Other changes						-
At 31 December 2012	109,824	2,328,532	117,125	49,154	1,136,760	3,741,393
Depreciation and impairment losses						
At 31 December 2010	59,218	898,144	27,397	16,392		1,001,152
Increases	13,141	372,427	16,022	9,895		411,485
Internally developed assets						-

Disposals					-	
Other changes		2,475	1,990		4,465	
At 31 December 2011	72,359	1,273,046	45,409	26,287	0	1,417,102
Increases	13,488	653,158	16,481	9,784		692,911
Internally developed assets					-	
Disposals			-3,610		- 3,610	
Other changes		47,289			47,289	
At 31 December 2012	85,848	1,973,493	58,281	36,071	0	2,153,692
Net carrying amount						-
At 31 December 2010	27,999	114,878	31,774	28,857	33,564	237,072
At 31 December 2011	25,794	526,396	67,238	22,349	815,939	1,457,715
At 31 December 2012	23,976	355,039	58,844	13,083	1,136,760	1,587,702

During the two years under review, the acquisitions refer mainly to treatment units, prototypes and laboratory equipment.

Note 6 Non-current financial assets

Type	Security deposits	Others	Total
At 31 December 2010	19,568		19,568
Gross carrying amount	1,960		1,960
Impairment	0		-
At 31 December 2011	21,528	0	21,528
Gross carrying amount	14,344		14,344
Impairment	0		-
At 31 December 2012	35,872	0	35,872
Maturity of other non-current assets	1-5 years	Over 5 years	Total
Gross carrying amount at 31 December 2011			
Security deposits	4,062	17,466	21,528
Others			-
Total	4,062	17,466	21,528
Gross carrying amount at 31 December 2012			
Security deposits	13,565	22,307	35,872
Others			-
Total	13,565	22,307	35,872

Non-current financial assets comprise security deposits paid to lessors.

Note 7 Trade receivables and other current assets

7.1 Customers and related accounts

Type	Customers	Customers, yet to be invoiced	Total
At 31 December 2011	575,344	0	575,344
At 31 December 2012	93,952	31,395	125,346

Trade receivables and related accounts refer to sales under SOFHYS contracts and SOFHYS and SLG tests.

7.2 Research tax credit receivables

The Company qualifies under Articles 244-quater B and 49-septies F of the French General Tax Code (*Code Général des Impôts*) relating to research tax credit.

The Company received payment from the French Treasury for its CIR receivables for 2008 and 2009 during 2009 and 2010, in the respective amounts of €305,434 and €697,976. However, the tax authorities began an inspection of the Company in October 2011, focusing in particular on the CIR receivables for 2008 and 2009. The tax authorities contested part of these receivables and proposed an adjustment of €172,989 for 2008 and €347,851 for 2009. The Company contested these adjustments in full on 22 February 2013, and the tax inspection is ongoing as at the date of this registration document.

In February and March 2012, the Company filed payment requests with the tax authorities for its CIR receivables for 2010 and 2011, amounting to more than €2 million in total. As the tax authorities had not yet settled these receivables as at the beginning of July 2012, the Company, which urgently needed cash at the time, assigned the CIR receivables to OSEO

As a result, OSEO bought all the Company's CIR receivables for 2010 and 2011 on 16 July 2012 in exchange for an authorised credit line amounting to 80% of the nominal value of these receivables, which had been validated by an independent expert appointed by the credit institution.

In August 2012, the tax authorities rejected the CIR payment requests from the Company on the grounds that the pledging of these receivables no longer enabled their immediate repayment to OSEO.

The Company contested this and appealed against the decision of the authorities. The Company filed an application initiating proceedings at the Versailles Administrative Court on 23 October 2012 against the Yvelines branch of the General Directorate of Public Finance. The case is ongoing as at the date of this registration document.

In connection with the same proceedings, the Company has also filed an application for an interim payment order with the Presiding Judge of the Versailles Administrative Court on 11 April 2012, seeking an interim payment of (i) €1,029,387, corresponding to the refund of the Company's research tax credit for 2010, and (ii) €1,200,276, corresponding to the refund of the Company's research tax credit for 2011, arguing that there are no serious grounds to challenge the receivables. The Presiding Judge of the Versailles Administrative Court has not handed down an interim payment order as at the date of this registration document.

In view of the disagreement between the tax authorities and the Company concerning, in particular, the eligibility of the Company's projects, the possibility that the tax authorities will refuse to immediately refund the 2012 tax credit and challenge the validity of part of its CIR receivables for 2010, 2011, 2012 and future financial years cannot be ruled out. Although the Company is clearly justified in challenging the position adopted by the tax authorities, this situation could have an adverse impact on the Company's results, financial position and prospects.

7.3 Other current assets

Other current assets break down as follows:

Type	Employee-related receivables	Tax receivables	Other receivables	Prepaid expenses	Total
At 31 December 2011	1,795	787,387		409,054	1,198,236
At 31 December 2012	984	687,809		221,374	910,167

The tax receivables refer mainly to deductible VAT and to the requested VAT rebate.

The prepaid expenses refer essentially to costs related to the sale of SOFHYS treatment lines.

The other current assets also include inventories, totalling €693,501 at 31 December 2011 and €541,922 at 31 December 2012.

Note 8 Cash and cash equivalents

Cash and cash equivalents break down as follows:

Type	Cash	Marketable securities	Total
At 31 December 2011	1,510,195	0	1,510,195
At 31 December 2012	51,664	0	51,664

Note 9 Share capital

9.1 Capital issued

As at 31 December 2012, the share capital was fixed at €2,274,759.25 (two million two hundred and seventy-four thousand seven hundred and fifty-nine euros and twenty-five cents). It is divided into 9,099,037 fully subscribed and paid-up shares with a par value of €0.25.

This figure excludes BSPCEs and BSAs allotted to certain employees and non-employees of the Company.

All shares entitle their holders to a pro rata share of the Company's profits and net assets.

The table below presents a history of the Company's share capital since it was founded on 3 November 2004:

Date	Nature of transaction	Capital	Additional paid-in capital (*)	Number of shares/units created	Number of shares making up the capital	Par value	Share capital
3/11/2004	Incorporation	€8,000	-	400	400	€20	€8,000
01/12/2006	Cash issue	€4,300	€95,700	215	615	€20	€12,300
31/05/2007	Division of par value by 20	-	-	12,300	12,300	€1	€12,300
31/05/2007	Cash issue	€328	€40,000	328	12,628	€1	€12,628
29/06/2007	Cash issue	€722	€199,388.86	722	13,350	€1	€13,350
04/09/2007	Incorporation of retained earnings and additional paid-in capital related to the capital increases of 01/12/2006, 31/05/2007 and 29/06/2007.	€360,450	-	360,450	373,800	€1	€373,800
01/10/2007	Cash issue	€2,840	€25,276	2,840	376,640	€1	€376,640
01/12/2007	Cash issue	€4,145	€50,855	4,145	380,785	€1	€380,785
01/12/2007	Division of par value by 10	-	-	41,450	3,807,850	€0.10	€380,785
15/02/2008	Cash issue	€18,702.50	€229,460.95	187,025	3,994,875	€0.10	€399,487.50
18/04/2008	Cash issue	€131,648.90	€2,343,350.42	1,316,489	5,311,364	€0.10	€531,136.40
29/08/2008	Incorporation of additional paid-in capital and increase of share par value to €0.25	€796,704.60	-	0	5,311,364	€0.25	€1,327,841
05/06/2009	Cash issue	€143,012	€932,438.24	572,048	5,883,412	€0.25	€1,470,853

24/05/2010	Exercise of BSAs	€4,527.75	€19,922.10	18,111	5,901,523	€0.25	€1,475,380.75
07/07/2010	Cash issue	€85,752.50	€843,804.60	343,010	6,244,533	€0.25	€1,561,133.25
30/09/2010	Exercise of BSAs and BSPCEs	€28,427.50	€186,426.77	113,710	6,358,243	€0.25	€1,589,560.75
17/02/2011	Exercise of BSAs	€11,771.50	€63,380.26	47,086	6,405,329	€0.25	€1,601,332.25
10/06/2011	Cash issue	€664,762.25	€7,338,975.24	2,659,049	9,064,378	€0.25	€2,266,094.50
03/07/2012	Exercise of BSAs and BSPCEs	€5,701.75	€25,087.70	22,807	9,087,185	€0.25	€2,271,796.25
06/03/2013	Exercise of BSAs and BSPCEs	€4,861.25	€21,389.50	19,445	9,106,630	€0.25	€2,276,657.50
09/04/2013	Exercise of BSAs	€1,931.25	€21,321.00	7,725	9,114,355	€0.25	€2,278,588.75

The table above presents the history of the Company's share capital as indicated in the Company's Articles of Association.

The 2,659,049 preference shares have the following specific benefits:

- a right to privileged information or the right to oppose decisions that affect the capital or its dilution;
- the right to a priority dividend to be calculated for the first time in relation to the results for the year ending 31 December 2016;
- the right to an advantageous ratio for conversion into ordinary shares during a liquidity event, and the right to an advantageous ratio during a dilutive event.

The mechanism for converting A shares into ordinary shares involved allocating part of the additional paid-in capital to a non-distributable reserve, in the amount of €1.3 million.

The share capital increase costs were recognised as a reduction of additional paid-in capital.

Ordinary shares account for 79.74% of the voting rights and preference shares for 20.26%.

The Company plans to convert the preference shares into ordinary shares in the event of an IPO.

9.2 BSPCE and BSA warrants

The Company has issued BSPCEs and BSAs as follows:

At 31 December 2011:

	Date of allotment	Number of warrants allotted	Strike price	Expiry date	Cancelled	Exercised	Outstanding at 31/12/2011
BSPCEs:							
	29/08/2008	136,750	1.92	29/08/2013	39,200	7,813	89,737
	31/03/2009	95,000	1.35	31/03/2014	0	27,556	67,444

21/12/2009	375,607	1.88	21/12/2014	28,239	69,606	277,762
10/06/2010	17,704	1.49	10/06/2015	0	4,426	13,278
13/07/2010	90,830	2.71	13/07/2015	0	22,770	68,060
30/09/2010	187,336	2.71	30/09/2015	0	0	187,336
28/01/2011	130,576	1.79	28/01/2016	0	0	130,576
	<u>1,033,803</u>			<u>67,439</u>	<u>132,171</u>	<u>834,193</u>
BSAs:						
31/03/2009	150,000	1.35	31/03/2014	30,400	64,143	55,457

At 31 December 2012:

	Date of allotment	Number of warrants allotted	Strike price	Expiry date	Cancelled	Exercised	Outstanding at 31/12/2011
BSPCEs:							
	29/08/2008	136,750	1.92	29/08/2013	128,937	7,813	0
	31/03/2009	95,000	1.35	31/03/2014	592	39,408	55,000
	21/12/2009	375,607	1.88	21/12/2014	71,806	69,606	234,195
	10/06/2010	17,704	1.49	10/06/2015	13,278	4,426	0
	13/07/2010	90,830	2.71	13/07/2015	43,712	22,140	24,978
	30/09/2010	187,336	2.71	30/09/2015	0	0	187,336
	28/01/2011	130,576	1.79	28/01/2016	32,644	0	97,932
		<u>1,033,803</u>			<u>290,969</u>	<u>143,393</u>	<u>599,441</u>
BSAs:							
	31/03/2009	150,000	1.35	31/03/2014	52,575	69,543	27,882

Each BSPCE and BSA entitles the holder to subscribe to one ordinary share. The strike price was determined using the most recent share capital increase price, or using the 20 most recent stock market prices if there was no share capital increase in the previous 12 months.

The impact of share-based payments on net profit is described in note 16.

Note 10 Borrowings and financial debt

10.1 Repayable advances

On 22 February 2010, the Company signed an innovation support agreement with OSEO Innovation totalling €400,000. This financial aid was received by the Company between 2009 and 2011.

The aid is effectively an interest-free loan repayable over three years from 2013: €100,000 due in 2013, €150,000 due in 2014 and €150,000 due in 2015.

The amount falling due in more than 12 months is recorded in non-current liabilities, while the part falling due in less than 12 months is recorded in current liabilities.

10.2 Bridge loan

On 3 December 2012, the Company agreed a bridge loan, under which the investors agreed various advances to the Company totalling €1,765,637.40. As at 31 December 2012, the amount granted was €1,305,637.40. The shareholders' extraordinary general meeting of 28 January 13 approved the issue of convertible bonds to the investors granting the bridge loan.

The subscription price of the convertible bonds was €1.81. This was paid by the investors: (i) by offsetting receivables with the funds advanced under the terms of the bridge loan (i.e. €1,765,637.40 at 28 January 2013), and (ii) in cash for the balance, i.e. €382,000.

The convertible bonds are due to be converted under the terms of the next financing round from new investors, in the amount of at least €2,000,000 (a "**Qualified Issue**"), at a discount of 30% to reward the risk taken by the investors. In the absence of a Qualified Issue, the convertible bonds will be converted into category A preference shares ("**A Shares**") of the Company with an issue price of €1.6418.

The principal amount of each unconverted convertible bond will bear fixed annual interest of 10% as from the shareholders' extraordinary general meeting of 28 January 2013 (inclusive) and up to the actual repayment date (inclusive) (the "**Interest**").

The convertible bonds that are converted into shares of the Company will not bear interest.

The Interest accrued will be capitalised annually on the anniversary of the issue.

The Company is looking at methods for early conversion into ordinary shares in the event that it floats on the Euronext.

10.3 Maturity of financial liabilities

The maturity schedule of the financial liabilities outstanding at 31 December 2011 and 31 December 2012 is as follows:

Maturity of other liabilities	Less than 1 year	1-5 years	Over 5 years	Total
Gross carrying amount at 31 December 2011				
Conditional advances		362,628		362,628
Bank overdrafts				0
Bank loans	222,504	848,624		1,071,128
Accrued interest	4,518			4,518
OSEO financing (CIR)				0
Finance lease payables	19,256	57,929		77,185
Shareholder current accounts				
Total	246,277	1,269,182	0	1,515,460

Gross carrying amount at 31 December 2012

Conditional advances	87,667	288,622	376,289
Overdrafts			0
Bank loans	637,627	557,122	1,194,749
Accrued interest	3,736		3,736
OSEO financing (CIR)	1,724,000		1,724,000
Finance lease payables	40,971	96,066	137,037
Shareholder current accounts			
Total	2,494,001	941,810	0 3,435,811

Note 11 Non-current provisions

Type	Retirement obligations	Provisions for risks	Total
At 31 December 2010	5,572	0	5,572
At 31 December 2011	10,836	0	10,836
At 31 December 2012	23,320	0	23,320

The following assumptions were used for all employee categories to estimate retirement obligations:

	2011	2012
% employer social security costs	33.95%	30.82%
Pay increases	2.0%	2.0%
Discount rate	4.6%	2.9%

Retirement age: 65-67 (executives and non-executives)

Reason for retirement: voluntary

Life table: INSEE 2012

Note 12 Trade payables and other current liabilities

12.1 Trade payables and related accounts

Trade payables and related accounts were not discounted because the amounts involved are due within 12 months as at the end of each year.

12.2 Current tax payables

Current tax payables refer mainly to VAT received and chargeable on the capitalisation of research and development expenses and on invoices yet to be prepared.

12.3 Other current liabilities

Other current liabilities include deferred income related to research tax credits for 2005 to 2012, as described in note 3.13.

Note 13 Revenue

Revenue relates to the sale, provision or lease of SOFHYS and SLG units and to SOFHYS and SLG tests.

Construction contracts comprise the following costs, cumulative gross profits, assets and liabilities:

	At 31/12/2011	At 31/12/2012
Cumulative costs	1,428,106	2,076,355
Cumulative gross profit	653,777	967,617
Assets:		
- Tangible fixed assets	782,375	861,441
- Invoices yet to be prepared	0	31,395
- Prepaid expenses	338,019	
	1,120,394	892,836
Liabilities:		
- Prepaid income	562,427	0

Note 14 Cost of sales

Consumption of inventories amounted to €368,761 in 2011 and €258,978 in 2012.

Note 15 Personnel expense

The Company had 37 employees as at 31 December 2012, compared with 40 a year earlier.

Personnel expense breaks down as follows:

	Salaries	Social security costs	Other costs	Contractors	Capitalised R&D costs	Retirement payments	BSAs, BSPCEs	Total
					(salaries and costs)			
At 31 December 2011	2,061,211	816,779	27,006	141,415	-2,058,668	5,264	212,736	1,205,742
At 31 December 2012	1,920,462	637,588	1,320	201,661	-1,889,958	12,484	149,430	1,032,988

Note 16 Share-based payments

Share-based payments refer to all warrants (BSPCEs and BSAs) allotted to employees, executives and members of the Supervisory Board.

The warrants allotted are likely to be exercised after a gradual vesting period and become void five years after their allotment date. The acquisition of warrants by beneficiaries is not subject to market conditions. The expense representing the benefit awarded is recognised in personnel expense on a straight-line basis over the vesting period.

The warrants are described in note 9.2.

The expense recognised for 2011 and 2012 breaks down as follows:

Expense at 31 December 2011:

Type	Allotment date	Number of options in circulation	Cumulative expense at 01/01/2011	2011 expense	Cumulative expense at 31/12/2011
BSPCE0	26/03/2008	- €	€38,397	- €	€38,397
BSPCE1	29/08/2008	€97,550	€64,083	€15,238	€79,320
BSPCE2	31/03/2009	€95,000	€29,679	€14,839	€44,518
BSA1	31/03/2009	€150,000	€100,975	- €	€100,975
BSPCE3	21/12/2009	€106,706	€68,972	€22,991	€91,963
BSPCE4	21/12/2009	€240,662	€115,874	€51,853	€167,727
BSPCE5	10/06/2010	€17,704	€2,979	€2,979	€5,959
BSPCE6	13/07/2010	€22,140	€27,074	- €	€27,074
BSPCE7	13/07/2010	€68,060	€21,000	€20,807	€41,807
BSPCE8	30/09/2010	€187,336	€57,011	€57,011	€114,022
BSPCE9	28/01/2011	€130,576	- €	€27,018	€27,018
Total		€1,115,734	€526,044	€212,736	€738,780

Expense at 31 December 2012:

Type	Allotment date	Number of options in circulation	Cumulative expense at 31/12/2011	2012 expense	Cumulative expense at 31/12/2012
BSPCE0	26/03/2008	0	€38,397		€38,397
BSPCE1	29/08/2008	0	€79,320	- €	€79,320
BSPCE2	31/03/2009	94,408	€44,518	€14,747	€59,265
BSA1	31/03/2009	150,000	€100,975	- €	€100,975
BSPCE3	21/12/2009	106,706	€91,963	- €	€91,963
BSPCE4	21/12/2009	197,095	€167,727	€42,466	€210,192
BSPCE5	10/06/2010	4,426	€5,959	€745	€6,704
BSPCE6	13/07/2010	22,140	€27,074	- €	€27,074
BSPCE7	13/07/2010	24,348	€41,807	€7,444	€49,250
BSPCE8	30/09/2010	187,336	€114,022	€57,011	€171,034
BSPCE9	28/01/2011	130,576	€27,018	€27,018	€54,036
Total		917,035	€738,780	€149,430	€888,211

The expense recognised at 1 January 2011 was €526,044, recorded fully in reserves for 2008 to 2010.

The expense recognised in the 2011 income statement was €212,736.

The expense recognised in the 2012 income statement was €149,430.

The main assumptions used to determine the expense arising from share-based payments by applying the Black-Scholes option pricing model were as follows:

- Risk-free interest rate: 5-year constant maturity rate linked to expected life
- Dividend: none
- Volatility: 50% owing to the age of the Company and the highly technological nature of its business
- Turnover: none
- Expected life: 5 years.

The strike price, estimated life and fair value of the underlying shares at the warrant allotment date were used to measure each category of share-based payment.

Detailed information on the number of options per category and the strike prices can be found in note 9.2.

Note 17 Other operating expense

Other operating expense breaks down as follows:

No research and development costs were recorded as expenses during the year.

31/12/2011	Other operating expense	of which capitalised R&D costs	Balance of other expense
Subcontracting and other fees	175,540	-70,663	104,878
Property charges	256,326	-162,605	93,720
Travel/transport	437,540	-300,886	136,655
Others	293,847	-152,246	141,601
TOTAL	1,163,254	-686,400	476,854

31/12/2012	Other operating expense	of which capitalised R&D costs	Balance of other expense
Subcontracting and other fees	482,872	-17,263	465,609
Property charges	258,648	-180,308	78,340
Travel/transport	495,660	-339,932	155,727
Others	378,080	-205,970	172,110
TOTAL	1,615,260	-743,473	871,786

Note 18 Financial income and expense

Financial income consists mainly of capital gains from the sale of marketable securities. Financial expense comprises interest on financial debt and charges relating to the unwinding of the discount on the OSEO advances.

Note 19 Tax expense

Based on current legislation, the Company had tax losses in France which can be carried forward indefinitely amounting to €10,106,836 at 31 December 2012 (€6,847,940 at 31 December 2011). Deferred tax assets, net of deferred tax liabilities related to temporary differences, were constituted in accordance with the principles described in note 3.15.

The Company is subject to the applicable tax rate in France, i.e. 33.33%.

Note 20 Commitments

Obligations arising from operating leases

The Company has signed three service agreements for the lease of property at its three sites. Future rent under these agreements as at 31 December 2012 breaks down as follows:

2013: €151,094
2014: €64,947
2015: €64,947
2016: €64,947
2017: €32,473

The Company has also signed various operating lease agreements for office equipment. Future rent under these agreements as at 31 December 2012 breaks down as follows:

2013: €205,757
2014: €188,889
2015: €143,211
2016: €25,401
2017: €284

Note 21 Related-party transactions

The following remuneration of members of the Company's Executive Board and Supervisory Board was recognised in expense during the years presented:

	31/12/2011	31/12/2012
Members of the Executive Board	187,296	203,466
Directors' fees	42,384	60,622
Share-based payments to members of the Executive Board and Supervisory Board	117,628	99,099
Total	347,308	363,187

Share-based payments are measured as described in note 16.

Liabilities to related parties as at December 31 were as follows:

	31/12/2011	31/12/2012
Current account advances	13,946	17,203
Directors' fees	26,760	40,622
Climate Change Capital	142,462	1,307,757
Oraxys S.A.	5,588	11,176
Cabinet Benech	132,794	32,520
Total	321,550	1,409,278

Note 22 Earnings per share

Basic earnings

Basic earnings per share are calculated by dividing the net profit attributable to the Company's shareholders by the weighted average number of ordinary and preference shares outstanding during the year. The weighted average number of shares was 7,719,969 in 2011 and 9,084,394 in 2012.

	31/12/2011	31/12/2012
Profit for the year	- 1,436,570	- 1,658,223
Weighted average number of shares issued	7,719,969	9,084,394
Earnings per share (€)	-0.19	-0.18
Average diluted number of shares	8,687,564	9,971,344
Diluted earnings per share (€)	-0.17	-0.17

These earnings per share are identical for ordinary and preference shares.

Note 23 Financial risk management

The Company's main financial instruments are its cash and marketable securities. The aim of managing these instruments is to enable the financing of the Company's activities. The Company has a policy of not subscribing to financial instruments for speculative means. Orège does not use derivative financial instruments.

The main risks to which the Company is exposed are interest rate risk and credit risk.

Interest rate risk

The table below summarises the Company's net exposure to interest rate risk, before and after hedging transactions:

31/12/2012	Financial assets (a)	Financial liabilities ^(*) (b)	Net exposure before hedging (c) = (a) – (b)	Interest rate hedging instruments (d)	Net exposure after hedging (e) = (c) + (d)
Less than 1 year	N/A	€3,820,259	- €3,820,259	N/A	- €3,820,259
1-2 years	N/A	€390,433	- €390,433	N/A	- €390,433
2-5 years	N/A	€530,828	- €530,828	N/A	- €530,828
More than 5 years	N/A	€20,547	- €20,547	N/A	- €20,547
Total	N/A	€4,762,067	- €4,762,067	N/A	- €4,762,067

() The financial liabilities comprise advances from and the assignment of receivables to OSEO, bank loans, shareholder current account advances and finance leases.*

Credit risk

Given the quality of the counterparty financial institutions, there is no significant credit risk relating to the Company's cash, cash equivalents and short-term financial instruments.

Note 24 Events after the reporting period

Following authorisation from the Supervisory Board and in accordance with the approval granted by the shareholders' ordinary and extraordinary general meeting of 29 June 2012, the Executive Board awarded BSPCE and BSA warrants as follows:

- on 6 March 2013, 136,308 BSPCEs to a member of the Executive Board and to an employee and 81,900 BSAs to members of the Supervisory Board;
- on 21 March 2013, 45,436 BSPCEs to an employee; and
- on 9 April 2013, 91,686 BSPCEs to the Chairman of the Executive Board and to employees.

The Company is considering a transfer from the Marché Libre to the regulated NYSE Euronext market in Paris with a concurrent share capital increase and a simpler shareholder structure, subject to the condition precedent of floating on the NYSE Euronext market in Paris:

- prior conversion into ordinary shares of the bond issue subscribed on 28 January 2013 by the major investor;
- prior conversion of the Company's preference shares into ordinary shares, at a ratio of one preference share to 1.3544 ordinary shares.

Note 25 Information on the transition to IFRS

For the sole purpose of financial reporting, the Company deemed 1 January 2011 to be the transition date and prepared its first IFRS-compliant set of financial statements as at 31 December 2011. As the Company is not obliged to publish IFRS-compliant financial statements, this date is merely a working assumption.

Note 26 Reconciliation of IFRS-compliant financial statements and French corporate financial statements

The Company's IFRS-compliant financial statements differ in some areas to those prepared in accordance with French accounting principles, which are the frame of reference given the Company's domicile and the nature of its statutory accounts.

In addition, as specified in note 2 *infra* and for comparative purposes, the IFRS-compliant financial statements have been presented over 12-month periods for 2011 and 2012, whereas the 2011 corporate financial statements covered a 15-month period.

In relation to Orège, the main differences between the IFRS framework and the French principles of presentation and recognition are as follows:

- Presentation of IFRS-compliant financial statements
 - In the IFRS statement of financial position (balance sheet), assets and liabilities are classed as current and non-current
 - The IFRS income statement is presented in accordance with the Company's reporting format. This means the gross profit - calculated as the difference between sales and purchases consumed - is one of the Company's key indicators.
- Accounting principles
 - The Company reviewed the recognition of its main engineering contracts taking into account an analysis based on both substance and IAS 11 requirements regarding recognition of long-term contracts by reference to the stage of completion and the recognition of services in accordance with IAS 18 as and when they are provided. Revenue from SOPHYS leases is recognised in accordance with IAS 17;
 - The research tax credit (CIR), which is recognised as a tax receivable in the Company's financial statements, was treated as a grant pursuant to IAS 20. The CIR was deemed to relate primarily to development costs capitalised by the Company in intangible assets and tangible fixed assets. For this reason, the CIR is recognised in deferred income (liabilities) to the extent that the assets it covers are not amortised or depreciated.
 - In accordance with IAS 17, finance lease agreements were restated in order to capitalise the leased assets and corresponding debt.

- In accordance with IAS 19, the Company measured employees' termination benefits and recognised them in non-current liabilities. The change in obligation over the course of a year is recognised in personnel expense.
- In accordance with IAS 39, the non-interest-bearing advances granted by OSEO, and repayable if projects are successful, were recorded in financial debt on the date of receipt and discounted at an interest rate taking into account the repayment schedule.
- IFRS 2 requires share-based payments to be measured at the date they are awarded. The benefit is equivalent to remuneration: it is recognised in personnel expense, against an increase in shareholders' equity, on a straight-line basis over the vesting period. The Company adopted this treatment for its BSA and BSPCE warrant plans.
- In accordance with IAS 12, the Company recorded deferred tax in relation to the temporary differences between the IFRS carrying amounts and the tax values of the assets and liabilities. The Company also recognised a deferred tax asset on its tax losses to the extent that forecasts showed that these losses could offset future taxable profit.

The differences are shown in the tables below:

Transition from the corporate financial statements' shareholders' equity to IFRS-compliant shareholders' equity at 1 January 2011

Amounts in €	Capital	Additional paid-in capital	Reserves, retained earnings	Special depreciation allowances	IFRS-restated reserves	Total shareholders' equity
Shareholders' equity - Corporate financial statements at 30 September 2010	1,589,561	3,483,070	-1,821,059	292,720		3,544,292
Changes - Q4 2010		-13,178	0	117,239		0
Shareholders' equity at 31 December 2010 determined in accordance with French GAAP	1,589,561	3,469,892	-2,022,417	409,959		3,446,995
IFRS restatements:						
Recognition of research tax credit (CIR) in liabilities (deferred income) (1)					-2,239,370	-2,239,370
Cancellation of special depreciation allowances (2)			0	-409,959	409,959	0
Restatement of contract margins (3)					75,986	75,986
Recognition of termination benefits (4)					-5,572	-5,572
Discounting of conditional OSEO advances (5)					34,946	34,946
Impact of deferred taxes on restatements (2) (3) (4) and (5)					-171,758	-171,758
Recognition of tax losses as deferred tax assets					1,470,564	1,470,564
Deferred taxes on capital increase costs		20,990				20,991
TOTAL SHAREHOLDERS' EQUITY	1,589,561	3,490,882	- 2,022,417	-	- 425,245	2,632,782

Transition from the corporate financial statements' shareholders' equity to IFRS-compliant shareholders' equity at 31 December 2011

In €	Capital	Additional paid-in capital	Reserves, retained earnings	Special depreciation allowances	IFRS-restated reserves	2011 profit	Total shareholders' equity at 31 December 2011
Shareholders' equity - Corporate financial statements at 31 December 2011	2,270,446	8,796,618	-491,533	979,630		-653,879	10,901,282
Reclassification of Q4 net profit			0 -201,358			201,358	0
Sub-totals	2,270,446	8,796,618	-692,891	979,630	0	-452,521	10,901,282
IFRS restatements:							
Recognition of research tax credit (CIR) in liabilities (deferred income) (1)					-2,239,370	-1,204,665	-3,444,035
Cancellation of special depreciation allowances (2)			0	-979,630	409,959	569,671	0
Restatement of contract margins (3)					75,986	-719,572	-643,586
Recognition of termination benefits (4)					-5,572	-5,264	-10,836
Discounting of conditional OSEO advances (5)					34,946	2,426	37,372
Capitalisation of finance leases (6)						-1,272	-1,272
Impact of deferred taxes on restatements (2) (3) (4) (5) and (6)					-171,760	51,355	-120,405
Recognition of tax losses as deferred tax assets					1,470,565	536,008	2,006,573
Deferred taxes on capital increase costs		276,074					276,074
Share-based payments					212,736	-212,736	0
TOTAL IFRS SHAREHOLDERS' EQUITY	2,270,446	9,072,692	-692,891	0	-212,510	-1,436,570	9,001,167

Transition from the corporate financial statements' shareholders' equity to IFRS-compliant shareholders' equity at 31 December 2012

In €	Capital	Additional paid-in capital	Reserves, retained earnings	Special depreciation allowances	IFRS-restated reserves	2012 profit	Total shareholders' equity at 31 December 2012
Shareholders' equity - Corporate financial statements at 31 December 2012	2,274,759	8,805,986	-1,145,412	2,037,710		-2,159,359	9,813,684
<i>IFRS restatements:</i>							
Recognition of research tax credit (CIR) in liabilities (deferred income) (1)					-3,444,035	-1,168,242	-4,612,277
Cancellation of special depreciation allowances (2)				-2,037,710	979,630	1,058,080	0
Restatement of contract margins (3)					-643,586	93,816	-549,770
Recognition of termination benefits (4)					-10,836	-12,484	-23,320
Discounting of conditional OSEO advances (5)					37,372	-13,661	23,711
Capitalisation of finance leases (6)					-1,272	-9,473	-10,745
Depreciation and amortisation charges - contract (7)						-12,764	-12,764
Impact of deferred taxes on restatements (2) (3) (4) (5) (6) and (7)					-120,403	-367,802	-488,205
Recognition of tax losses as deferred tax assets					2,006,572	1,083,096	3,089,668
Deferred taxes on capital increase costs		279,278					279,278
Share-based payments					149,430	-149,430	0
TOTAL IFRS SHAREHOLDERS' EQUITY at 31 December 2012	2,274,759	9,085,264	-1,145,412	0	-1,047,128	-1,658,223	7,509,260

20.2 PRO FORMA FINANCIAL INFORMATION

Not applicable.

20.3 FINANCIAL STATEMENTS

Not applicable.

20.4 REPORTS OF THE STATUTORY AUDITOR

20.4.1 Statutory Auditor's report on the financial statements, compliant with the IFRS as adopted by the European Union, as at the transition date on 31 December 2010 and for the years ended 31 December 2011 and 31 December 2012

"To the Executive Board,

In our capacity as Orège's Statutory Auditors and in accordance with Regulation (EC) no. 809/2004 as part of the Company's plans to list its shares on the Paris Euronext market, we have audited Orège's financial statements as at the transition date on 31 December 2010 and for the years ended 31 December 2011 and 31 December 2012, as featured in subsection 20.1.1 of the registration document.

The Executive Board was responsible for preparing these financial statements. Our role is to express an opinion on these financial statements on the basis of our audit. We performed our audit in accordance with the applicable French professional standards, which require us to exercise due care to obtain reasonable assurance that the financial statements are free of material misstatement. An audit involves the verification, on a test basis or by other methods of selection, of the evidence supporting the amounts and disclosures in the financial statements. It also consists of assessing the accounting principles used, the significant estimates made and the overall presentation of the financial statements. We believe that our audit has provided us with sufficient relevant information on which to base our opinion.

In our opinion, the financial statements prepared for the purpose of the registration document present fairly, in all their significant aspects and with regard to the IFRS framework as adopted by the European Union, the assets, liabilities and financial position as at the transition date on 31 December 2010 and at 31 December 2011 and 31 December 2012, as well as of the profit/(loss) for the years then ended.

Without qualifying the opinion expressed above, we draw your attention to the following points in Notes 7.2 and 26 of subsection 20.1.1 of the registration document:

- *the tax inspection, and*
- *the recognition of tax losses as deferred tax assets.*

Versailles, 23 April 2013

BDO FRANCE - ABPR ILE DE FRANCE

Represented by Philippe Benech

Statutory Auditor"

20.4.2 Other information verified by the statutory auditor

The statutory auditor's reports on the historical annual financial statements for the years ended 31 December 2012 and 31 December 2011 are appended to this *registration document*.

20.5 DATE OF THE MOST RECENT FINANCIAL INFORMATION

31 December 2012.

20.6 DIVIDEND POLICY

20.6.1 Dividends paid during the last three years

None.

20.6.2 Dividend policy

There are no plans to introduce a dividend payment policy in the short term given the Company's stage of development.

20.7 JUDICIAL AND ARBITRATION PROCEEDINGS

With the exception of the ongoing proceedings before the Administrative Court of Versailles and its Presiding Judge mentioned in section 4.4 and described in more detail in subsection 4.5.3 of this registration document, as at the registration date of this document, there were no government, judicial or arbitration proceedings, including any pending or threatened proceedings of which the Company is aware, likely to have or that have had in the past 12 months a significant effect on the Company's financial position, operations or results.

20.8 SIGNIFICANT CHANGE IN THE FINANCIAL OR COMMERCIAL POSITION

To the Company's knowledge, there has been no significant change in its financial or commercial position since 31 December 2012.

20.9 ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS

20.9.1 Deferred tax assets

The main assumptions justifying the recognition by the Company of all its tax losses as deferred tax assets are as follows: (i) prudent forecast revenue growth relative to the milestones set out in subsection 6.9.6 above and (ii) a medium-term recovery horizon considered to be reasonable.

20.9.2 Differences in the recognition of EPCM contract revenue between French GAAP and IFRS

The Company's management has assessed each EPCM contract, in terms of recognition under French GAAP, as a "grouped" transaction and revenue flows are determined on a degree of completion basis. Under IFRS, the Company's management has applied IAS 11, IAS 17 and IAS 18, breaking each contract down into the nature of each contractual phase (study, construction, performance testing, transfer to operational status, and lease with an option to buy). This decision resulted in the recognition of different revenue amounts, depending on the two bases used.

The customer for one of the two EPCM contracts has requested that a 5- to 10-year lease option for the treatment line is substituted for the purchase option initially agreed at the time of the performance testing phase. To this end, a rider to the contract is currently being discussed.

20.9.3 Further details of the business continuity assumption shown in Note 3.1 to the IFRS-compliant annual financial statements for the year ended 31 December 2012

The business continuity assumption has been made given, notably, the payment by a shareholder of the balance of a loan in favour of the Company in an amount of €782,000, it being specified that the overall balance of this loan (i.e. €782,000 received in January 2013 combined with an amount of €1.365 million received in 2012) enabled the subscription, by set-off against receivables, of a bond loan convertible into shares in an amount of €2.147 million on 28 January 2013.

20.9.4 Further details on events after the reporting date

As regards Note 24 to the financial statements, it should be noted that:

"The Company is considering a transfer from the Marché Libre to the regulated NYSE Euronext market in Paris with a concurrent share capital increase and a simpler shareholder structure, subject to the condition precedent of floating on the NYSE Euronext market in Paris:

- *prior conversion into ordinary shares of the bond issue subscribed on 28 January 2013 by the major investor;*
- *prior conversion of the Company's preference shares into ordinary shares, at a ratio of one preference share to 1.3544 ordinary shares."*

It should be noted that, subsequent to the proposed amendments approved by the Executive Board at its meeting of 29 May 2013 to the draft resolutions (published in the BALO Official Gazette no. 1302341 of 17 May 2013) presented to the ordinary and extraordinary general meeting of 3 June 2013, the preference shares should be converted at the rate of 1 Class A preference share for 1.65 ordinary shares.

21 ADDITIONAL INFORMATION

This section takes into account the changes to the Articles of Association to be decided upon by the shareholders' general meeting on 3 June 2013, which will be adopted with the specific condition precedent of the Company's initial public offering on the regulated Euronext market of NYSE-Euronext in Paris taking place by 31 October 2013 at the latest, enabling €15 million to €30 million (this amount could be reduced to €10 million following authorisation by the Supervisory Board) to be raised, and specifically: (i) of the conversion of the €2,147,637.40 bond issue into 740,496 ordinary shares (taking into account the proposed amendments approved by the executive board at its meeting of 29 May 2013), and (ii) of the conversion of the category A preference shares into ordinary shares, at the ratio of one category A preference share to 1.65 ordinary shares and of the corresponding deletion of share categories. The waiver of the above condition precedent must be decided by the Executive Board, subject to prior authorisation from the Supervisory Board, acting by a majority of those members present, deemed to be present or represented.

21.1 SHARE CAPITAL

21.1.1 Share capital amount

As at the registration date of this registration document, the Company's share capital amounted to €2,278,588.75 divided into 9,114,355 fully subscribed and paid-up shares of the same category, each with a par value of €0.25.

The table below shows the number of shares outstanding at the opening and closing dates of the two financial years ended 31 December 2011 and 31 December 2012:

SHARES	Number	Par value
Shares making up the share capital at 31 December 2010	6,358,243	0.25
Capital increase of 17 February 2011	47,086	0.25
Capital increase of 21 June 2011	2,659,049	0.25
Capital increase of 12 December 2011	17,407	0.25
Shares making up the share capital at 31 December 2011	9,081,785	0.25
Capital increase of 16 March 2012	5,400	0.25
Capital increase of 13 December 2012	11,852	0.25
Shares making up the share capital at 31 December 2012	9,099,037	0.25

21.1.2 Non-equity securities

None.

21.1.3 Acquisition of treasury shares

As at the registration date of this registration document, the Company holds no treasury shares either directly or through a third party.

The shareholders' ordinary and extraordinary meeting of the Company called for 3 June 2013 is expected to authorise the Executive Board, for a period of 18 months from said meeting and subject to the condition precedent of the admission of the Company's shares into trading on the regulated Euronext market of NYSE-Euronext in Paris, to implement, subject to the approval of the Supervisory Board, on one or more occasions, a share buyback programme pursuant to Articles L. 225-209 *et seq.* of the French Commercial Code and to Regulation no. 2273/2003 of the European Commission of 22 December 2003, and in accordance with the AMF General regulations, in the conditions described below:

Maximum number of shares that can be bought: 10% of the share capital as at the buyback date. Where shares are bought to support the stock's liquidity, the number of shares taken into account for the purpose of calculating the above 10% limit corresponds to the number of shares bought less the number of shares sold during the authorisation period.

Share buyback objectives:

- (i) to implement any share purchase option plan of the Company pursuant to Articles L. 225-177 *et seq.* of the French Commercial Code;
- (ii) to award shares to employees so they can participate in the Company's expansion, and to implement any company savings plan pursuant to the provisions of law, particularly Articles L. 3332-1 *et seq.* of the French Labour Code (*Code du Travail*);
- (iii) to award bonus shares pursuant to Articles L. 225-191-1 *et seq.* of the French Commercial Code;
- (iv) to hold shares with a view to providing them as payment or in exchange during acquisitions;
- (v) to provide shares upon the exercise of rights attached to marketable securities giving access to the Company's share capital by redemption, conversion, exchange, presentation of a warrant or any other means;
- (vi) to cancel all or some of the shares bought back in this way; and
- (vii) to make the shares available as part of a liquidity contract with an independent investment service provider, specifically for the purpose of supporting the listing price.

Maximum purchase price: €15

Maximum theoretical amount that can be dedicated to share buybacks: €15,753,855

21.1.4 Securities giving access to a share of the Company's capital

The number and characteristics of such securities allotted by the Company as at the date of this registration document are summarised below, with the exception of:

- (i) existing plans which will become void as at the date of the admission of the Company's shares into trading; and
- (ii) existing plans with exercise conditions that make them non-exercisable.

21.1.4.1 BSPCE warrants

Plan name	BSPCE 0	BSPCE 1	BSPCE 2	BSPCE 3	BSPCE 4	BSPCE 5	BSPCE 6	BSPCE 7	BSPCE 8	BSPCE 9	BSPCE 10	BSPCE 11	BSPCE 12
Date of meeting	15/02/2008	15/02/2008	26/12/2008	26/12/2008	21/12/2009	21/12/2009	21/12/2009	21/12/2009	13/09/2010	13/09/2010	29/06/2012	29/06/2012	29/06/2012
Date of award by Executive Board	26/3/2008	29/08/2008	31/03/2009	21/12/2009	21/12/2009	10/06/2010	13/07/2010	13/07/2010	30/09/2010	28/01/2011	06/03/2013	21/03/2013	9/4/2013
Total number of BSPCEs authorised	5% issued capital Max. 300,000	5% issued capital Max. 300,000	5% issued capital Max. 300,000	5% issued capital Max. 300,000	5% issued capital	5% issued capital	5% issued capital	5% issued capital	5% issued capital	5% issued capital	3% issued capital	3% issued capital	3% issued capital
Total number of BSPCEs allotted	128,800	136,750	95,000	199,105	176,502	17,704	22,140	68,690	187,336	130,576	136,308	45,436	91,686
Total number of shares that can be subscribed:	128,800	136,750	95,000	199,105	176,502	17,704	22,140	68,690	187,336	130,576	136,308	45,436	91,686
<i>of which by corporate officers:</i>													
- <i>Pascal Gendrot</i>													
- <i>Philippe Andreani</i>	0	0	31,000	0	88,251	0	14,760	0	93,668	32,644	0	0	21,236
	0	0		0	0	0		0	0	0	90,872	0	0
Number of non-corporate-officer beneficiaries	3	3	3	8	2	1	1	2	1	3	1	1	3
BSPCE exercise start date	26/03/2008	29/08/2008	31/03/2009	21/12/2009	21/12/2009	10/06/2010	13/07/2010	13/07/2010	30/09/2010	28/01/2011	06/03/2013	21/03/2013	09/04/2013
BSPCE expiry date	26/03/2013	29/08/2013	31/03/2014	21/12/2014	21/12/2014	10/06/2015	13/07/2015	13/07/2015	30/09/2015	28/01/2016	06/03/2018	21/03/2018	09/04/2018
BSPCE strike price	€1.33	€1.92	€1.35	€1.88	€1.88	€1.49	€2.71	€2.71	€2.71	€1.79	€3.01	€3.01	€3.01
Exercise methods	25% at award date and then another 25% on each anniversary of the award date	25% at award date and then another 25% on each anniversary of the award date	25% at award date and then another 25% on each anniversary of the award date	25% at award date and then another 25% on each anniversary of the award date*	25% at award date and then another 25% on each anniversary of the award date	25% at award date and then another 25% on each anniversary of the award date	Fully exercisable as of the award date	25% at award date and then another 25% on each anniversary of the award date	25% at award date and then another 25% on each anniversary of the award date	25% at award date and then another 25% on each anniversary of the award date	25% at award date and then another 25% on each anniversary of the award date	25% at award date and then another 25% on each anniversary of the award date	25% at award date and then another 25% on each anniversary of the award date
Number of shares subscribed at 27 May 2013	0	7,813	39,408	69,606	0	4,426	22,140	630	0	0	0	0	0
Total number of BSPCEs cancelled or void as at 27 May 2013	128,800	128,937	592	42,389	29,417	13,278	0	43,082	0	32,644	0	0	0
Total number of BSPCEs outstanding at 27 May 2013	0	0	55,000	87,110	147,085	0	0	24,978	187,336	97,932	136,308	45,436	91,686
Total number of shares that can be subscribed at 27 May 2013	0	0	55,000	87,110	147,085	0	0	24,978	187,336	97,932	136,308	45,436	91,686

(*) For 106,706 BSPCEs of the 199,105 awarded, 50% exercisable as of the award date and then another 25% on each anniversary of the award.

The table above does not include: (i) the 1,740,000 accretive BSPCEs issued by the shareholders' general meeting of 10 June 2011, which are due to be cancelled by the shareholders' general meeting of 3 June 2013 with the condition precedent of the Company's shares being admitted to trading on the regulated Euronext market of NYSE-Euronext in Paris; and (ii) BSPCE awards promised to Philippe Andreani and Michel Bouvet, as described below in this subsection.

As at the registration date of this registration document, full exercise of all 872,871 BSPCEs awarded and still outstanding could lead to the creation of 872,871 new ordinary shares.

Philippe Andreani and Michel Bouvet have been promised around 103,647 (1% of the share capital) and 52,824 (0.5% of the share capital) BSPCEs respectively, to be awarded after the Company's shares are listed on the regulated Euronext market of NYSE-Euronext in Paris at an exercise price to be approved by the Supervisory Board following authorisation of the issuance from the shareholders' general meeting.

21.1.4.2 BSA warrants

Plan name	BSA 1	BSA 2
Date of meeting	26/12/2008	29/06/2012
Date of award by Executive Board	31/03/2009	06/03/2013
Date of Executive Board meeting which acknowledged subscription of the BSAs		
Total number of BSAs authorised	150,000	81,900
Total number of BSAs allotted	150,000	81,900
Total number of shares that can be subscribed:	150,000	81,900
<i>of which by corporate officers:</i>		
- Kléber Beauvillain		
- Gabriel Schreiber	31,400	27,300
- Frédéric Benech	31,400	27,300
	31,400	27,300
Number of non-corporate-officer beneficiaries	2	0
BSA exercise start date	31/03/2009	06/03/2013
BSA expiry date	31/03/2014	06/03/2018
BSA strike price	€1.35	€3.01
Exercise methods	50% as of the award date and the remainder as of the date of the shareholders' general meeting called to approve the financial statements for the period ending 30/6/2009	Fully exercisable as of the award date
Number of shares subscribed at 27 May 2013	77,136	7,725
Total number of BSAs cancelled or void as at 27 May 2013	52,575	0
Total number of BSAs outstanding at 27 May 2013	20,289	74,175
Total number of shares that can be subscribed at 27 May 2013	20,289	74,175

As at the date of first admission of the Company's shares to trading on the regulated Euronext market of NYSE-Euronext in Paris, full exercise of all 94,464 BSAs awarded and still outstanding could lead to the creation of 94,464 new ordinary shares.

21.1.4.3 Summary of dilutive instruments

As at the date of first admission of the Company's shares to trading on the regulated NYSE-Euronext market in Paris, the total number of ordinary shares that would be created by the full exercise of all outstanding equity securities would be 967,335 and would break down as follows:

- (i) 872,871 potential new shares from the exercise of the 872,871 BSPCEs issued; and
- (ii) 94,464 potential new shares from the exercise of the 94,464 BSAs issued.

As at the registration date of this registration document, the exercise of the 967,335 equity securities could therefore lead to a maximum dilution of approximately 7.71% assuming the share capital is fully diluted.

21.1.5 Authorised unissued capital

During their ordinary and extraordinary general meeting of 29 June 2012, the Company's shareholders agreed, under the terms of the eighth resolution, to mandate the Executive Board to issue, within 18 months of said meeting (i.e. by 29 December 2013), a number of share subscription warrants (BSA) giving access to a maximum of 3% of the Company's share capital as at the award date by the Executive Board, issued to a particular category of individuals (members of the Supervisory Board who are neither employees nor corporate officers subject to the same tax regime as employees), giving them the right, for each BSA awarded, to subscribe to one new share of the Company, with a par value of €0.25, at a price determined by the Executive Board on the award date.

During the shareholders' extraordinary general meeting of 28 January 2013, the Company's shareholders agreed, under the terms of the 16th resolution, to mandate the Executive Board to resolve, up to and including 31 May 2013, to make one or more issues of ordinary shares of the Company and/or marketable securities giving access to the Company's ordinary shares, the nominal amount of the share capital increases not exceeding €1,535,380, without preferential subscription rights, in favour of categories of individuals with pre-determined characteristics. The maximum number of beneficiaries per issue would be 15, and the minimum subscription amount per investor would be €100,000.

The issue resolutions due to be approved by the shareholders' ordinary and extraordinary general meeting of 3 June 2013 are summarised below:

Resolution	Valid for	Ceiling (nominal amount)	Overall ceiling
19 th resolution: delegation of authority to the Executive Board to decide on a share capital increase through the issue - with preferential subscription rights - of ordinary shares of the Company and/or marketable securities giving access to the Company's capital and/or marketable securities giving entitlement to debt securities.	26 months	€2,361,628	€2,641,199
20 th resolution: delegation of authority to the Executive Board to decide on a share capital increase through the issue - without preferential subscription rights - of ordinary shares of the Company and/or marketable securities giving access to the Company's capital and/or marketable securities giving entitlement to debt securities.	26 months	€2,361,628	
21 st resolution: delegation of authority to the Executive Board to issue ordinary shares of the Company and/or marketable securities giving access to the Company's capital, in the event of a public exchange offer launched by the Company.	26 months	€2,361,628	
22 nd resolution: delegation of authority to the Executive Board to issue ordinary shares of the Company and/or marketable securities giving access to the Company's capital, with a view to remunerating contributions in kind granted to the Company and consisting of equity securities or marketable securities giving access to the Company's capital.	26 months	Up to 10% of the share capital	
24 th resolution: delegation of authority to the Executive Board to decide on a share capital increase through the issue - without preferential subscription rights - of ordinary shares of the Company and/or marketable securities giving access to the Company's capital and/or marketable securities giving entitlement to debt securities, by private placement pursuant to Article L. 411-2, II of the French Monetary and Financial Code.	26 months	Up to 20% of the share capital as at the Executive Board resolution date	
25 th resolution: delegation of authority to the Executive Board to decide on a share capital increase through the incorporation of premiums, reserves, profits or other.	18 months	€2,361,628	
26 th resolution: delegation of authority to the Executive Board to increase the number of securities to be issued in the event of a share capital increase with or without preferential subscription rights.	26 months	Up to 15% of the initial issue amount	
27 th resolution: delegation of authority to the Executive Board to decide on a share capital increase through the issue of shares reserved for employees without preferential subscription rights.	26 months	Up to 3% of the share capital as at the Executive Board resolution date	

Resolution	Valid for	Ceiling (nominal amount)	Overall ceiling
28 th resolution: delegation of authority to the Executive Board to authorise share purchase or subscription options.	26 months	Up to 2% of the share capital as at the Executive Board resolution date	
29 th resolution: delegation of authority to the Executive Board to allocate existing bonus shares or issue new ones.	26 months	Up to 2% of the share capital as at the Executive Board resolution date	
30 th resolution: delegation of authority to the Executive Board to carry out one or more issues of BSPCE.	18 months	Up to a number of BSPCEs giving access to a maximum of 2% of the Company's share capital as at the award date.	
31 st resolution: delegation of authority to the Executive Board to reduce the share capital by cancelling treasury shares.	26 months	Up to 10% of the share capital in 24-month periods.	N/A

21.1.6 Information about the capital regarding any shares of the Company which are under option or any conditional or unconditional agreement to be such shares under option

To the Company's knowledge, there are no call or put options or other commitments in favour of the Company's shareholders, or granted by them, relating to the Company's shares.

21.1.7 Changes in the Company's share capital since incorporation

Date	Nature of transaction	Capital	Additional paid-in capital (*)	Number of shares/unit s created	Number of shares making up the capital	Par value	Share capital
3/11/2004	Incorporation	€8,000	-	400	400	€20	€8,000
01/12/2006	Cash issue	€4,300	€95,700	215	615	€20	€12,300
31/05/2007	Division of par value by 20	-	-	12,300	12,300	€1	€12,300
31/05/2007	Cash issue	€328	€40,000	328	12,628	€1	€12,628
29/06/2007	Cash issue	€722	€199,388.86	722	13,350	€1	€13,350
04/09/2007	Incorporation of retained earnings and additional paid-in capital related to the capital increases of 01/12/2006, 31/05/2007 and 29/06/2007.	€360,450	-	360,450	373,800	€1	€373,800
01/10/2007	Cash issue	€2,840	€25,276	2,840	376,640	€1	€376,640
01/12/2007	Cash issue	€4,145	€50,855	4,145	380,785	€1	€380,785
01/12/2007	Division of par value by 10	-	-	41,450	3,807,850	€0.10	€380,785
15/02/2008	Cash issue	€18,702.50	€229,460.95	187,025	3,994,875	€0.10	€399,487.50
18/04/2008	Cash issue	€131,648.90	€2,343,350.42	1,316,489	5,311,364	€0.10	€531,136.40
29/08/2008	Incorporation of additional paid-in capital and increase of share par value to €0.25	€796,704.60	-	0	5,311,364	€0.25	€1,327,841
05/06/2009	Cash issue	€143,012	€932,438.24	572,048	5,883,412	€0.25	€1,470,853
24/05/2010	Exercise of BSAs	€4,527.75	€19,922.10	18,111	5,901,523	€0.25	€1,475,380.75
07/07/2010	Cash issue	€85,752.50	€843,804.60	343,010	6,244,533	€0.25	€1,561,133.25
30/09/2010	Exercise of BSAs and BSPCEs	€28,427.50	€186,426.77	113,710	6,358,243	€0.25	€1,589,560.75

17/02/2011	Exercise of BSAs	€11,771.50	€63,380.26	47,086	6,405,329	€0.25	€1,601,332.25
10/06/2011	Cash issue	€664,762.25	€7,338,975.24	2,659,049	9,064,378	€0.25	€2,266,094.50
03/07/2012	Exercise of BSAs and BSPCEs	€5,701.75	€25,087.70	22,807	9,087,185	€0.25	€2,271,796.25
06/03/2013	Exercise of BSAs and BSPCEs	€4,861.25	€21,389.50	19,445	9,106,630	€0.25	€2,276,657.50
09/04/2013	Exercise of BSAs	€1,931.25	€21,321.00	7,725	9,114,355	€0.25	€2,278,588.75

(*) The additional paid-in capital is shown at its gross carrying amount above, whereas it is shown in the financial statements net of share capital increase costs.

21.2 DEED OF INCORPORATION AND ARTICLES OF ASSOCIATION

21.2.1 Corporate purpose

The Company's purpose, in France or abroad and on its own behalf or the behalf of third parties, involves:

- designing, developing, operating, manufacturing and marketing innovative equipment and processes for the treatment of polluted, contaminated and infected soil and water;
- technical and scientific expertise and engineering;
- providing any type of service for any legal or natural persons in France or abroad;
- importing and exporting;
- intermediation;
- representing any legal or natural persons;
- acquiring interests in other companies;
- creating partnerships or joint ventures in France or abroad;
- managing and executing representation contracts of French or foreign companies;
- technological watch, technological transfer, initiating industrial, commercial, research etc. projects, financing arrangements;
- buying, selling, assigning or contributing industrial property rights;

- registering, acquiring, exploiting, creating or assigning all patents, trademarks or procedures;
- managing royalties and fees;
- researching and developing new patents, trademarks and models;
- designing and developing new, innovative and patentable procedures, and seeking out financial, commercial and technical partners;
- creating, acquiring, selling and operating in any form any business concern or establishment;
- the management of construction or delegated management of construction of industrial, real property, commercial or recreational projects;
- any industrial, commercial, financial, civil, movable property or real property transactions that are directly or indirectly related to the corporate purpose, or that are likely to facilitate the expansion or development thereof; and
- acquiring interests in any existing or future business or company that is directly or indirectly related to the corporate purpose, or to any similar or related purpose, specifically any business or company whose own purpose is likely to contribute to the achievement of the Company's purpose, by any means, including the creation of new companies, the contribution, subscription or purchase of securities or ownership rights, mergers or the creation of an economic interest group.

21.2.2 Provisions of the Articles of Association or other provisions relating to members of management and administration bodies

21.2.1.1 Executive Board

21.2.2.1.1 Composition of the Executive Board

The Company is run by an Executive Board under the control of a Supervisory Board.

The Executive Board comprises a minimum of two (2) and a maximum of seven (7) members.

Members of the Executive Board, who must be natural persons, are appointed for two years by the Supervisory Board, which also determines their remuneration. They may be chosen from outside the Company's shareholder base.

If a seat becomes vacant, the Supervisory Board shall, within two (2) months, either fill it or simply take note of such vacancy.

Members' terms of office expire on the date of the last quarterly Supervisory Board meeting before the second anniversary of their appointment. Members' terms of office are renewable. They can be revoked

by the Supervisory Board, acting by a majority of members present or represented, or by the shareholders' general meeting, acting by a simple majority.

The term of office of a member of the Executive Board expires no later than the close of the shareholders' general meeting called to approve the financial statements for the year during which said member reaches the age of 68. However, the Supervisory Board may choose to extend on one or more occasions the term of office of a member of the Executive Board who has reached that age, for a maximum of two years.

21.2.2.1.2 *Chairmanship of the Executive Board*

The Supervisory Board appoints the Chairman of the Executive Board, who exercises his or her powers for the remainder of his or her term of office on the Executive Board and who may be re-elected.

The Chairman of the Executive Board represents the Company in its dealings with third parties.

The Supervisory Board may also appoint from the members of the Executive Board one or more chief executive officers with the same power of representation in dealings with third parties

21.2.2.1.3 *Meetings of the Executive Board*

The Executive Board meets as often as the Company's interests require. Meetings may be called by any member of the Executive Board and by any means, including verbally.

Members of the Executive Board may not appoint an authorised representative.

At least half the members must be present to ensure the validity of resolutions. If there are only two members, both must be present.

Decisions are made by simple majority of those present. If votes are split, the casting vote goes to whoever is chairing the meeting, provided this is the Chairman of the Executive Board.

For the purpose of calculating quorum and majority, members who take part in the meeting via video conferencing, telephone or any other legally recognised method are deemed to be present.

Meetings take place in any location mentioned in the notice of meeting. However, the physical presence of Supervisory Board members is not compulsory; they may take part via any suitable means of communication.

Members may take part in meetings by telephone, conference call or any other remote means of communication, including any electronic means, provided the conditions specified in the following paragraph are met.

The Chairman of the Executive Board (or whoever is chairing the meeting) must ensure that the Executive Board members or their authorised representatives are able to: (i) take part in the appropriate discussions; (ii) hear anybody who speaks (whether through microphones, speakers, audiovisual communication systems or other), whether or not they are physically present at the meeting; and (iii) be heard by any person present in the same manner.

Minutes are prepared of each Executive Board meeting and signed by the Chairman.

The minutes are reproduced in a special register. Copies and extracts of the minutes are certified by the Chairman, a member or the secretary of the Executive Board or any other person designated by the Executive Board.

The Executive Board members and any other person invited to attend its meetings have an obligation not to disclose any confidential information presented as such by the Chairman.

21.2.2.1.4 Powers of the Executive Board

With the exception of the powers assigned by law to the shareholders' general meeting and to the Supervisory Board, the Executive Board is invested with the broadest powers to act in the Company's name within the limits of the corporate purpose.

Up to a limit which it sets, the Supervisory Board may authorise the Executive Board to issue pledges, endorsements or guarantees in the Company's name. This authorisation may last no longer than one year, whatever the duration of the pledged, endorsed or guaranteed commitments.

There is no limit to the amount of pledges, endorsements or guarantees that the Executive Board may issue to the tax or customs authorities.

If the total amount of pledges, endorsements and guarantees issued exceeds the limit set for a given period, this may not be relied upon against third parties who were not aware of the applicable limitation.

Up to the limit it sets for each type of transaction, the Supervisory Board may authorise the Executive Board to assign real property in kind, to assign equity interests in full or in part and to constitute security interests.

Authorisation of the Supervisory Board is required each time a transaction exceeds the set limit.

The lack of authorisation for the above-mentioned transactions cannot be relied upon against third parties, unless the Company can prove that these third parties were aware, or could not be unaware, of said lack of authorisation.

In addition, the Executive Board must receive prior authorisation from the Supervisory Board to carry

out the following transactions:

- a) any share capital increase or issue of securities giving access to the capital, of any type, decided by the Executive Board under a delegation of authority from the shareholders' general meeting;
- b) any financing in favour of the Company in the amount of more than (x) €2,500,000 for medium- and long-term financing and (y) €500,000 for overdrafts, credits and short-term loans or more than any higher threshold set by the Supervisory Board. For the purpose of this subsection, "financing" means any of the following transactions:
 - (i) any financial debt;
 - (ii) any bond, debt security, promissory note, securitised loan or any other similar instrument;
 - (iii) any finance lease or any agreement considered as such in accordance with generally accepted international accounting principles;
 - (iv) the acquisition of any asset where the price is payable subsequent to the acquisition or transfer of ownership if the payment methods involved constitute a means of financing the acquisition of the asset;
 - (v) any security, indemnity undertaking or similar assurance against the financial loss of any person in relation to any of the above elements, with the exception of contracts or agreements entered into in the normal course of business;
 - (vi) any other transaction with the commercial effects of a debt (e.g. call/put options or other financial instruments);
- c) any acquisition by the Company or one of its subsidiaries for an amount of more than €500,000;
- d) any sale or acquisition of any real property by the Company;
- e) any proposal or payment of dividends, or any other distribution of whatever type, to shareholders;
- f) any subscription or sale of shares or the taking of any equity interest in any other company, as well as the conclusion, modification or waiver of any right in any joint venture, consortium or partnership agreement;
- g) any transaction (including any acquisition or sale, whether direct, through a licence or by any other means) involving the Company's industrial and intellectual property rights, unless in the normal course of business;

- h) any investment expenditure of more than €500,000; any non-budgeted disposal of an asset with a carrying amount or market value greater than €500,000;
- i) the conclusion, amendment, annulment or termination of a service agreement, a retirement obligation or an employment contract with an executive or key member of personnel, or of any agreement of which they are direct or indirect beneficiaries;
- j) the designation of the beneficiaries of stock option plans approved by the shareholders' general meeting and any modification thereto; the creation and implementation of any stock option plan for a new employee of the Company, as well as any profit-sharing mechanism; and
- k) the constitution of any third-party entitlement or security interest relating to all or part of the Company's assets, unless in the normal course of business (i.e. assets acquired under a finance lease with a carrying amount of less than €50,000).

21.2.2.2 Supervisory Board

21.2.2.2.1 Composition of the Supervisory Board

The Supervisory Board comprises a minimum of three (3) and a maximum of eighteen (18) members. They may be legal or natural persons and may be chosen from outside the Company's shareholder base.

When a legal person is appointed to the Supervisory Board, the managers of said legal person are required to appoint a permanent representative who is subject to the same conditions and obligations and assumes the same third-party and criminal liability as they would if they were a Supervisory Board member in their own right, without prejudice to the joint liability of the legal person they represent.

Supervisory Board members are appointed by the shareholders' ordinary general meeting, which can revoke their appointment at any moment.

Supervisory Board members are appointed for a term of two (2) years, which may be renewed.

However, no more than two (2) Supervisory Board members may be aged 75 or over. The term of office of the oldest member expires in accordance with the law, with no option for extension, at the close of the shareholders' ordinary general meeting called to approve the previous year's accounts and held during the year in which the number of Supervisory Board members aged 75 or over exceeded two (2).

Up to one third of serving Supervisory Board members may hold an employment contract corresponding to effective employment.

As remuneration for their work, and in the form of attendance fees, the shareholders' general meeting may award the Supervisory Board members a fixed annual sum that it determines without being bound by the Articles of Association or by previous decisions.

21.2.2.2.2 *Organisation of the Supervisory Board*

The Supervisory Board exercises permanent control of the management of the Executive Board.

As such, it can, at any time, perform checks and controls as it sees fit and gain access to the documents it deems useful for the purpose of completing its role.

The Supervisory Board appoints from its members a Chairman and a Vice-Chairman who perform their duties throughout their term as a member of the Supervisory Board.

The Chairman and Vice-Chairman must be individuals. Otherwise, their appointment shall be null and void.

The Supervisory Board may resolve to set up committees charged with examining questions put to them by the Supervisory Board or its Chairman. It determines the composition and powers of such committees and, where applicable, the remuneration of the committee members.

Each year, the Supervisory Board presents its opinions on the Executive Board's report and the financial statements to the shareholders' ordinary general meeting.

21.2.2.2.3 *Meetings of the Supervisory Board*

The Supervisory Board meets as often as the Company's interests require, and at least four (4) times a year.

The Executive Board reports to the Supervisory Board at least once a quarter on the management of the Company.

The Supervisory Board members are called to meetings by the Chairman or Vice-Chairman by any means, including verbally.

The Chairman of the Supervisory Board must call a meeting for a date no later than 10 days after at least one member of the Executive Board or at least two (2) members of the Supervisory Board presents him with a reasoned request for a meeting. If the request goes unheeded, its authors can themselves call a meeting and set the agenda.

To the extent authorised by law, for the purpose of calculating quorum and majority, members who take part in the meeting via videoconference, telephone or any other legally recognised method are deemed to be present.

Meetings take place in any location mentioned in the notice of meeting. However, the physical presence of Supervisory Board members is not compulsory; they may take part via any suitable means of communication.

Members may take part in meetings by telephone, conference call or any other remote means of communication, including any electronic means, provided the conditions specified below are met.

The Chairman of the Supervisory Board must ensure that the Supervisory Board members or their authorised representatives are able to: (i) take part in the appropriate discussions; (ii) hear anybody who speaks (whether through microphones, speakers, audiovisual communication systems or other), whether or not they are physically present at the meeting; and (iii) be heard by any person present in the same manner.

The Chairman of the Supervisory Board or the person designated to chair the meeting must be physically present at the main location of the meeting, and the meeting is deemed to have taken place at this main location. The Chairman of the Supervisory Board may take all the measures he deems useful to enable the Supervisory Board members taking part in a meeting to vote electronically.

Decisions are made under the statutory quorum and majority conditions. If votes are split, the casting vote goes to whoever is chairing the meeting, provided this is the Chairman of the Supervisory Board.

The Supervisory Board members and any other person invited to attend meetings have an obligation not to disclose any confidential information presented as such by the Chairman.

The shareholders' general meeting may award the Supervisory Board members an overall annual sum in the form of attendance fees.

This overall sum is split between the members of the Supervisory Board.

The Supervisory Board determines the remuneration of its Chairman and Vice-Chairman.

The Supervisory Board may award exceptional remuneration for specific assignments or mandates assigned to the Chairman, Vice-Chairman or one of its members. In such a case, this remuneration is paid in addition to the attendance fees and under the conditions provided for by law.

21.2.2.3 College of Advisors (*censeurs*)

The shareholders' general meeting may appoint one or more advisors (*censeurs*) to attend Supervisory Board meetings in an advisory capacity in accordance with the quorum and majority conditions for ordinary decisions.

These advisors (*censeurs*) may be natural or legal persons, whether or not they are shareholders.

They have the same information and communication rights as shareholders and have an obligation not to disclose any information brought to their attention.

Advisors (*censeurs*) are appointed for a period of two (2) years and can be re-elected. Their terms of office expire at the end of the shareholders' ordinary general meeting called to approve the financial statements for the previous year and held in the year during which their term of office expires.

Agreements between the Company and the advisors (*censeurs*) are not subject to the same rules as those between the Company and a Supervisory Board member.

Advisors (*censeurs*) may sit on the committees set up by the Supervisory Board and may receive remuneration determined by the Supervisory Board.

The shareholders' ordinary or extraordinary general meeting may dismiss the advisors (*censeurs*) at any time.

The advisors (*censeurs*), as people invited to attend Supervisory Board meetings, have an obligation not to disclose any confidential information presented as such by the Chairman.

21.2.3 Rights, privileges and restrictions attached to shares of the Company

21.2.3.1 Voting rights

With the exception of the double voting rights described below, the voting rights attached to capital or dividend shares are proportional to the share of capital that they represent, and each share gives entitlement to one vote.

Double voting rights are assigned to all fully paid-up shares with proven registered ownership of at least two (2) years by the same shareholder of French nationality or with the status of a national of an EU member state or a signatory state of the European Economic Area Agreement.

Without prejudice to the exceptions provided for by law, a share loses its double voting rights if it is converted to bearer form, its ownership is transferred or its owner ceases to be a national of an EU member state or of a signatory state of the European Economic Area Agreement.

However, transfer as a result of inheritance, the liquidation of commonly held property between spouses or an *inter vivos* gift to a spouse or to a relative automatically entitled to inherit under French law does not cause existing double voting rights to lapse, nor does it interrupt the periods mentioned above.

Moreover, in the event of a share capital increase by incorporation of reserves, profits or issuance premiums, the double voting rights may be transferred upon issue to bonus registered shares awarded to a shareholder in respect of existing shares that carried double voting rights.

If A Shares are converted into ordinary shares, this conversion does not interrupt the two-year qualification period for double voting rights, and the double voting rights may be obtained at the end of a two-year period starting from the registration of the A Shares, provided that the holder of the now ordinary shares keeps these shares in registered form until the end of the above-mentioned two-year period. If the A Shares already carry double voting rights under the aforementioned conditions, these rights will remain attached to the registered ordinary shares resulting from the conversion, in the limit of one A Share for one ordinary share.

21.2.3.2 Profits and dividend rights

Each share entitles its holder to a share of profits and Company assets in proportion to the share of capital it represents.

After the financial statements have been approved and it is determined that there are distributable amounts, the shareholders' ordinary general meeting determines what portion of these amounts should be allocated to shareholders in the form of a dividend, which is taken as a priority from distributable profit for the year.

Dividend or interim dividend payment methods are set by the shareholders' general meeting.

21.2.3.3 Dividend limitation period

Dividends that remain unclaimed five years after distribution revert to the State (Article L. 1126-1 of the French General Code of Property Owned by Public Bodies – *Code Général de la Propriété des Personnes Publiques*).

21.2.3.4 Liquidation premium rights

Each share carries the right to a share of the liquidation premium in proportion to the number of existing shares, taking into account the nominal amount of shares and rights of different categories of shares.

21.2.3.5 Preferential subscription rights

The Company's shares all carry a preferential right of subscription to share capital increases.

21.2.3.6 Limitations of voting rights

None.

21.2.3.7 Identifiable bearer shares

Shares are either in registered or bearer form, depending on the choice of the shareholder. Registered shares may be recorded on individual shareholder accounts in accordance with the terms and conditions set out in the applicable legislation and regulations.

At any time and in accordance with the applicable legislation and regulations, the Company may ask the central depository responsible for keeping its share issuance account information to provide it, in return for a fee, with information on holders of shares with current or future voting rights in shareholders' general meetings, as well as on the quantity of shares held by each of these shareholders and, where applicable, the restrictions to which said shares may be subject.

21.2.3.8 Acquisition of treasury shares

Please see subsection 21.1.3.

21.2.4 Methods for modifying shareholders' rights

The shareholders' rights that feature in the Company's Articles of Association may be modified only by the shareholders' extraordinary general meeting.

21.2.5 Shareholders' general meetings

Shareholders' general meetings are called and held in accordance with the law.

The shareholders' general meeting comprises all shareholders, regardless of the number of shares they hold, provided that all due amounts have been fully paid up.

In order to take part in or be represented at a shareholders' general meeting, shares must be registered in the name of their holder with a central depository by 12.00am CET on the third business day before the meeting, either in the registered-share accounts held by the Company or in the bearer-share accounts held by an intermediary pursuant to Article L. 211-3 of the French Monetary and Financial Code.

The registration or entry of shares in bearer-share accounts held by an authorised intermediary is evidenced by way of a certificate issued by said intermediary in accordance with the applicable laws and regulations.

All shareholders may submit postal votes using a form that complies with the applicable regulations.

Only forms received by the Company at least three days before the meeting are accepted. Forms giving no indication of which way the shareholder has voted, or which express the shareholder's desire to abstain, shall be treated as votes against.

The shareholder's presence at the meeting cancels any proxy or previous postal vote.

If the Executive Board or Supervisory Board so decides when the meeting is called, all shareholders may take part in and vote at the meetings by videoconference or any form of telecommunications (including the Internet) that permits their identification in accordance with the terms and conditions set out in the applicable legislation. This decision is communicated in accordance with the law.

Those shareholders who vote within the required time frame using the electronic voting form available on the website set up by the organiser of the meeting are treated the same as shareholders who are present or represented. The electronic form can be completed and signed directly on the website by using an identification code and password, in accordance with the opening sentence of paragraph 2 of Article 1316-4 of the French Civil Code (*Code Civil*).

Proxies or votes expressed electronically in this way before the meeting, as well as the confirmation of their receipt, shall be regarded as irrevocable written instructions enforceable on all parties, it being stipulated that if the shares are sold before 12.00am CET on the third business day before the meeting, the Company shall invalidate or amend, as the case may be, proxies or votes expressed before such date and time.

21.2.6 Provisions to delay, defer or prevent a change of control

The Company's Articles of Association contain no provisions to delay, defer or prevent a change of control.

21.2.7 Ownership disclosure thresholds

Any legal or natural person, acting alone or in concert, who comes to own a number of shares representing a proportion of share capital or voting rights equal to or greater than two per cent (2%) of the share capital, or any multiple of this percentage, including beyond the disclosure thresholds set by the applicable laws and regulations, must inform the Company of the total number of shares and voting rights it holds, as well as the securities giving access to the capital and the potential voting rights attached thereto, by registered post with acknowledgement of receipt within ten (10) calendar days of crossing the ownership threshold.

The Company must also be informed when a shareholder's share of capital or voting rights falls below each of the thresholds mentioned above.

The sanctions provided for by law in the event of non-compliance with the requirement to disclose the crossing of statutory thresholds also apply in the event of non-disclosure of crossing of thresholds provided for by the present Articles of Association, at the request, recorded in the minutes of the shareholders' general meeting, of one or more shareholders holding at least 5% of the capital or voting rights of the Company.

21.2.8 Specifications governing changes to the share capital

There are no specifications in the Company's Articles of Association governing changes to its share capital.

22 MAJOR CONTRACTS

The Company has not entered into any significant contracts outside its normal course of business.

23 INFORMATION FROM THIRD PARTIES, STATEMENTS FROM EXPERTS AND DECLARATIONS OF INTEREST

None.

24 PUBLIC DOCUMENTS

Copies of this registration document are available free of charge from the Company's registered office at 1, rue Pierre Vaudenay, 78350 Jouy-en-Josas, France. This registration document can also be consulted on the Company's website (www.orege.com) and on the AMF website (www.amf-france.org).

All corporate documents that the Company must make available to its shareholders, in accordance with the applicable legislation, may be consulted free of charge at its registered office.

These include:

- (i) the Company's Articles of Association and deed of incorporation;
- (ii) all reports, letters and other documents, historical financial information, valuations and statements prepared by an expert at the Company's request, any part of which is included or referred to in this registration document; and
- (iii) the historical financial information of the Company for each of the two financial years preceding the publication of this registration document.

Once the Company's shares have been admitted for trading on the regulated NYSE-Euronext market in Paris, regulated information pursuant to the AMF's General Regulations will also be available on the Company's website: www.orege.com.

25 INFORMATION ON EQUITY INTERESTS

As at the date of this registration document, the Company has no equity interests in any other companies.

GLOSSARY

AOP: advanced oxidation process.

BTEX: benzene, toluene, ethylbenzene and xylenes.

Colloid: mixture of a liquid and a suspension of solid particles so small that they disperse homogeneously. The mixture can either remain liquid or take the form of a paste or gel. Many industrial, practical and food-related substances are colloids.

BOD: Biochemical oxygen demand, which is expressed in mg of oxygen per litre, shows how biodegradable a product is by measuring its oxygen consumption over five days in a laboratory. This reveals the quantity of biodegradable organic material present in the water.

COD: Chemical oxygen demand, which is expressed in mg of oxygen per litre, shows how oxidable a product is by measuring its oxygen consumption during two hours of effluent oxidation. This reveals the total content of oxidable matter in the water.

EPCM: Engineering, Procurement, Construction and Maintenance.

PE: Population equivalent

PAH: Polycyclic aromatic hydrocarbons.

HC: Hydrocarbons

SM: Suspended matter, which is expressed in mg/l, is a laboratory measurement of the content of solid matter, such as organic and mineral elements, in water.

EQS: Environmental quality standards.

DHSW: Discharge of hazardous substances into water.

Dryness: this is the mass percentage of dry matter. Dryness is measured by the quantity of solids remaining after heating at 110°C for two hours. It is generally expressed as a weight percent. The opposite is wetness.

PP(s): Purification plant(s).

µm: a micrometre, i.e. 0.000001 metres.

APPENDICES

I. Statutory auditor's report on the historical financial statements prepared in accordance with French GAAP for the year ended 31 December 2012

"To the shareholders,

In accordance with the terms of our appointment by your shareholders' general meeting, we present to you our report relating to the year ended 31 December 2012 on:

- *our audit of the attached Orège SA annual financial statements;*
- *the basis of our opinion;*
- *the specific information and verifications required by law.*

The annual financial statements were approved by your Executive Board. It is our job to express an opinion on these financial statements on the basis of our audit.

I. Opinion on the annual financial statements

We performed our audit in accordance with the applicable French professional standards, which require us to exercise due care to obtain reasonable assurance that the financial statements are free of material misstatement. An audit involves the verification, on a test basis or by other methods of selection, of the evidence supporting the amounts and disclosures in the annual financial statements. It also consists of assessing the accounting principles used, the significant estimates made and the overall presentation of the financial statements. We believe that our audit has provided us with sufficient relevant information on which to base our opinion.

In our opinion, and with regard to French accounting principles and rules, the annual financial statements provide a true and fair view of the Company's assets, liabilities and financial position at 31 December 2012 and of its results for the year then ended.

Without qualifying the opinion expressed above, we draw your attention to the following points on pages 2, 3 and 4 of the accounting appendix:

- *the tax inspection, and*
- *business continuity.*

II. Basis of our opinion

In accordance with the provisions of Article L. 823-9 of the French Commercial Code relating to the basis of our opinion, we draw your attention to the following:

The notes to the financial statements describe the accounting principles and rules, particularly those relating to research and development costs. As part of our assessment of the accounting principles and rules relating to these assets, we assessed the suitability of the accounting methods used and of the information provided in the notes. In our opinion, they were applied correctly. We also assessed the factors taken into consideration to estimate the value of inventories.

These assessments are part of our audit of the annual financial statements taken as a whole and therefore contributed to the formation of our opinion, as expressed in the first part of this report.

III. Specific information and verifications

In accordance with the applicable French professional standards, we also performed the specific verifications required by law.

We have no comment as to the fair presentation and conformity with the annual financial statements of the information provided in the Executive Board's report and in the documents addressed to the shareholders on the financial position and the annual financial statements.

Versailles, 19 April 2013

BDO FRANCE - ABPR ILE DE FRANCE

Represented by Philippe Benech

Statutory Auditor"

II. Historical financial statements prepared in accordance with French GAAP for the year ended 31 December 2012

ASSETS

Name	At 31/12/2012			At 31/12/2011
	Gross	Depreciation, amortisation and impairment	Net	Net
FIXED ASSETS				
Intangible assets	9,428,692		9,428,692	6,797,945
- Research and development costs	406,270	95,317	310,953	299,521
- Concessions, patents and licences			0	
- Business goodwill				
Tangible assets				
- Land			0	
- Buildings	10,103	10,103	0	
- Industrial and technical tools and equipment	2,199,145	1,923,729	275,415	484,386
- Other tangible fixed assets	230,106	168,105	62,000	81,478
- Assets under construction	249,771		249,771	33,564
- Advances and payments on account			0	
Financial assets:				
- Other equity interests			0	
- Others	35,872		35,872	21,528
TOTAL 1	12,559,958	2,197,255	10,362,703	7,718,423
CURRENT ASSETS				
Inventories and work in progress				
- Raw materials and other supplies	541,922		541,922	693,501
- Work in progress			0	
- Goods purchased for resale			0	
Advances and payments on account on orders	2,614		2,614	2,614
Operating receivables				
- Trade receivables and related accounts	1,310,044		1,310,044	1,518,483
- Others	4,167,942		4,167,942	3,057,534
Marketable securities: other securities	94		94	391,506
Cash	51,570		51,570	1,118,690
Prepaid expenses	579,463		579,463	484,010
TOTAL 2	6,653,650	0	6,653,650	7,266,337
Deferred tax assets 3			0	
OVERALL TOTAL 1 TO 3	19,213,609	2,197,255	17,016,354	14,984,760

LIABILITIES

	At 31/12/2012	At 31/12/2011
Name	Net	Net
SHAREHOLDERS' EQUITY		
Share capital (of which 2,274,759 paid in)	2,274,759	2,270,446
Additional paid-in capital	8,805,987	8,796,618
Reserves:		
- Legal	3,304	3,304
- Regulated	1,374,525	1,374,525
- Others	2,530	2,530
Retained earnings	-2,525,771	-1,871,892
Profit for the year	-2,159,359	-653,879
Regulated provisions	2,037,710	979,630
TOTAL 1	9,813,684	10,901,282
OTHER EQUITY AND PROVISIONS		
Conditional advances	400,000	400,000
Provisions for risks		
Provisions for charges		
TOTAL 2	400,000	400,000
LIABILITIES		
Financial debt		
- Convertible bonds		
- Other bonds		
- Bank loans and borrowings (1)	2,922,486	1,075,647
- Borrowings and financial debt	1,329,994	13,946
Operating liabilities:		
- Trade payables and related accounts	942,236	1,173,679
- Tax and social security liabilities	1,523,873	1,420,206
- Others	15,080	
Prepaid income	69,000	
Deferred tax liabilities		
TOTAL 3	6,802,669	3,683,478
OVERALL TOTAL 1 TO 3	17,016,354	14,984,760
(1) of which more than one year (a)	1,857,301	764,621
(1) of which less than one year (a)	4,945,368	2,918,857

INCOME STATEMENT

Name	At 31/12/2012	At 31/12/2011
OPERATING INCOME		
Sale of goods purchased for resale	486,184	2,099,645
Sale of finished goods and services	211,608	224,129
Net revenue	697,792	2,323,774
Production transferred to inventory		
Production capitalised	2,630,747	3,393,003
Operating grants	5,762	6,622
Reversal of provisions and transfer of charges	6,072	
Other income	82	52
TOTAL 1	3,340,455	5,723,451
OPERATING EXPENSE		
Purchase of goods for resale	103 971	158 724
Change in inventories		
Purchase of raw materials and other supplies	409,006	1,190,588
Change in supply inventories	-107,400	-158,674
Other external purchases	1,732,786	1,681,854
Taxes, duties and similar	62,525	102,356
Personnel expense:		
- Salaries and wages	1,951,714	2,646,761
- Social security costs	604,725	885,846
Charges to depreciation/amortisation and other provisions:		
- Depreciation/amortisation of fixed assets	716,489	676,582
- Amortisation of finance leases		
- Provisions on current assets		
- Provisions for risks and charges		
Other costs	60,676	42,411
TOTAL 2	5,534,492	7,226,448
OPERATING PROFIT (1-2)	-2,194,037	-1,502,997
FINANCIAL INCOME		
- Interest and similar income		950
- Reversal of provisions and transfer of charges		
- Currency gains		
- Net income from sale of marketable securities	1,072	23,756
TOTAL 5	1,072	24,706
FINANCIAL EXPENSE		
- Charges to amortisation and other provisions	90,743	41,239
- Interest and similar expense		
- Finance lease expense		
- Currency losses	40	1
- Net expense on sale of marketable securities		
TOTAL 6	90,783	41,240
NET FINANCIAL INCOME (5-6)	-89,711	-16,535
PROFIT BEFORE TAX	-2,283,749	-1,519,531

EXCEPTIONAL INCOME		
- From operations	36,898	4,155
- From capital transactions	22,771	92,658
- Reversal of provisions and transfer of charges		420
TOTAL 7	59,669	97,232
EXCEPTIONAL EXPENSE		
- On operations	28,518	10,538
- On capital transactions	57,144	92,309
- Charges to depreciation, amortisation and other provisions	1,058,080	686,910
TOTAL 8	1,143,742	789,757
NET EXCEPTIONAL INCOME (7-8)	-1,084,074	-692,525
- Income taxes (9)	-1,208,463	-1,558,177
- Deferred taxes (10)		
Total income	3,401,196	5,845,389
Total expense	5,560,555	6,499,268
NET PROFIT/LOSS	-2,159,359	-653,879

ACCOUNTING RULES AND METHODS

(Decree no. 83-1020 of 29-11-1983 - Articles 7, 21, 24 start, 24-1, 24-2 and 24-3)

NOTES TO THE BALANCE SHEET AND INCOME STATEMENT

Notes to the balance sheet before appropriation of earnings for the year, with a balance sheet total of €17,016,354, and to the income statement for the year presented in list form, with revenue of €697,792 and a loss of €2,159,359.

The 12-month financial year ran from 1 January 2012 to 31 December 2012, while the previous 15-month financial year ran from 1 October 2010 to 31 December 2011.

The notes and tables shown below are an integral part of the annual financial statements.

The annual financial statements are approved by the Executive Board.

Generally accepted accounting principles were applied in conformity with the principle of prudence and in accordance with the following assumptions:

- business continuity (see "Rules and methods", § I);
- consistency of accounting methods;
- independence of financial years

and in accordance with the generally accepted rules for the preparation and presentation of annual financial statements.

The underlying method used for the measurement of accounting items used is the historical cost method.

The valuation methods used comply with the recommendations of the French Accounting Board and the French Institute of Chartered Accountants.

Significant events

The year ended 31 December 2012 was marked by the following events:

- on 16 March 2012, the Executive Board noted the exercise of 5,400 BSA warrants at a price of €1.35 per share (including the issue premium), increasing the capital by a total nominal amount of €1,350;
- on 13 December 2012, 11,852 BSPCE warrants were exercised at a price of €1.35 per share (including the issue premium), increasing the capital by a total nominal amount of €2,963;
- the Company continued to recruit in order to cater for the growth of its business, particularly the deployment of its contracts;
- the Company secured its first service contract for the treatment of industrial organic sludge with a mobile SG unit;
- the Company expanded its managerial team with the arrival of a Process Director and a Development Director for the SLG and oil and gas solutions;
- the Company filed a third patent for the SLG.

Research tax credit receivables

The Company received payment from the French Treasury for its CIR receivables for 2008 and 2009 during 2009 and 2010, in the respective amounts of €305,434 and €697,976. However, the tax authorities began an inspection of the Company in October 2011, focusing in particular on the CIR receivables for 2008 and 2009. The tax authorities contested part of these receivables and proposed an adjustment of €172,989 for 2008 and €347,851 for 2009. The Company contested these adjustments on 22 February 2013, and the tax inspection is ongoing as at the date of this registration document. No provision has been made for the contested amounts.

In February and March 2012, the Company filed payment requests with the tax authorities for its CIR receivables for 2010 and 2011, amounting to more than €2 million in total. As the tax authorities had not yet settled these receivables as at the beginning of July 2012, the Company, which urgently needed cash at the time, assigned the CIR receivables to OSEO.

As a result, OSEO bought all the Company's CIR receivables for 2010 and 2011 on 16 July 2012 in exchange for an authorised credit line amounting to 80% of the nominal value of these receivables, which had been validated by an independent expert appointed by the credit institution.

In August 2012, the tax authorities rejected the CIR payment requests from the Company on the grounds that the pledging of these receivables no longer enabled their immediate repayment to OSEO.

The Company contested this and appealed against the decision of the authorities. The Company filed an application initiating proceedings at the Versailles Administrative Court on 23 October 2012 against the Yvelines branch of the General Directorate of Public Finance. The case was ongoing as at the accounts closing date.

In view of the disagreement between the tax authorities and the Company concerning, in particular, the eligibility of the Company's projects, the possibility that the tax authorities will refuse to immediately refund the 2012 CIR receivable and challenge the validity of part of the CIR receivables for 2010, 2011, 2012 and future financial years (the cumulative amount of these receivables as at 31 December 2012 was €3,434,270) cannot be ruled out. Although the Company is clearly justified in challenging the position adopted by the tax authorities, this situation could have an adverse impact on the Company's results, financial position and prospects.

Events after the reporting date

Since the reporting date, the Company has launched a major fundraising campaign to finance the growth of its business in France and abroad. This fundraising campaign, which is currently scheduled to finish before the summer, is in addition to the €2,147,637.40 bond issue subscribed by funds managed by Climate Change Capital on 28 January 2013.

The Company strengthened its managerial team with the appointment of Operations Director Philippe Andreani at the beginning of March 2013.

The Company has installed a fixed SOFHYS treatment unit for a major industrial firm in the petrochemical sector. At the customer's request, the Company is currently negotiating the lease of the SOFHYS part of this line rather than its sale;

In February 2013, the Company received notification that it had obtained a patent for SOFHYS in the US.

During the opening months of 2013, the Company continued to grow its business, specifically through the marketing of the next-generation secure, automated, containerised SOFHYS mobile unit and the SLG organic sludge dewatering and conditioning equipment.

MEASUREMENT AND PRESENTATION METHOD FOR THE ANNUAL FINANCIAL STATEMENTS AND NOTES ON THE MAIN ITEMS OF THE BALANCE SHEET AND THE INCOME STATEMENT

I – BUSINESS CONTINUITY

Generally accepted accounting principles were applied in conformity with the principle of prudence, including the going-concern assumption. The Company should be able to meet its cash requirements for the next 12 months because of: payment of the balance of a loan from a shareholder for €782,000 and the conversion of the overall balance of this loan into a bond loan convertible into shares in the amount of €2.147 million on 28 January 2013, the repayment of research tax credits for 2010, 2011 and 2012 in the amount, net of OSEO financing, of around €1.7 million, financing arrangements underway with OSEO and Coface, and the fundraising drive launched in March 2013.

II – INTANGIBLE AND TANGIBLE FIXED ASSETS

Research and development costs

The costs incurred have been capitalised in fixed assets since they relate to clearly separate projects and are likely to result in profitable commercial contracts.

Development costs are amortised when the process is put into service, i.e. from the time the treatment lines enter into service or the industrial equipment becomes operational.

However, in order to comply with the minimum-amortisation rule for tax purposes, development costs are amortised through an accelerated depreciation account as at the first day of the financial year following their capitalisation. This accelerated depreciation is gradually reversed as the development costs are amortised.

Research and development costs break down into two main categories:

- Design and development of customised treatment lines;
- Design and development of industrial equipment.

The research and development costs for designing and developing customised treatment lines are amortised over five years, while those for designing and developing industrial equipment are amortised over 10 years in line with a usage forecast over this period.

Research and development costs are measured as the total cost of the direct labour associated with the dedicated applied research programmes, plus direct programme costs and a share of overhead costs relating to this direct labour.

Other intangible fixed assets

Patents, concessions and other intangible fixed assets have been measured at cost, excluding purchase transaction charges.

They are amortised over their useful lives, i.e.:

Software	2 years
Patents	20 years

Tangible fixed assets

The gross carrying amount of tangible fixed assets is their initial carrying amount including the costs required to make them available for use, excluding purchase transaction costs.

The following useful lives were adopted:

Buildings	6 years
Test units	2 or 3 years
Electrodes	1 year
Industrial equipment, laboratory equipment and fittings	2 or 3 years
Fixtures and fittings	6 years
Furniture	5 years
Vehicles	4 years

III – VALUATION OF INVENTORIES

Material and goods purchased for resale were measured at cost using the historical cost method.

Storage costs are not included in the valuation of inventories.

IV – RECEIVABLES, IMPAIRMENT AND PAYABLES

Receivables and payables were measured at their nominal amount.

Where necessary, receivables are subject to an impairment provision to reflect any likely difficulties in recovering them.

No provisions of this type had been made as at 31 December 2012.

Other receivables include CIR receivables of €3,434,270 for 2010, 2011 and 2012. The €2,229,663 of CIR receivables for 2010 and 2011 were assigned to OSEO as security for a financing arrangement, which is shown under “Bank loans and borrowings” in the amount of €1,724,000.

V – CASH

Cash in hand or at bank was measured at its nominal amount.

VI – SHAREHOLDERS' EQUITY

Composition of share capital

ORDINARY SHARES	Number	Par value
Shares or units making up the share capital at the start of the year	9,081,785	0.25
Capital increase of 16 March 2012	5,400	0.25
Capital increase of 13 December 2012	11,852	0.25
Shares or units making up the share capital at the end of the year	9,099,037	0.25

The twenty-seventh resolution passed at the shareholders' ordinary and extraordinary general meeting of 21 December 2009 assigned double voting rights to all fully paid-up shares with proven registered ownership of at least two years by the same shareholder. As at 31 December 2012, there were 4,039,829 shares of the Company with double voting rights.

CHANGES IN SHAREHOLDERS' EQUITY

	Capital	Additional paid-in capital	Reserves	Special reserve	Retained earnings	Profit for the year	Regulated provisions	TOTAL
Balance at 31 December 2011	2,270,446	8,796,618	50,833	1,329,525	(1,871,952)	653,879	979,630	10,901,221
Capital increase of 16 March 2012	1,350	3,835						
Capital increase of 13 December 2012	2,963	5,533						
Allocation of result for the year to retained earnings					(653,879)	653,879		
Charges to accelerated depreciation provisions							1,058,080	
Profit for the year						(2,159,359)		
Balance at 31 December 2012	2,274,759	8,805,986	50,833	1,329,525	(2,525,831)	(2,159,359)	2,037,710	9,813,623

Following the entry into the share capital of Climate Change Capital Private Equity LP, Climate Change Capital Private Equity Co-Investment LP and Praxis Environment in 2011, 1,740,000 "BSPCE Relative 2011" warrants were issued, granting the right to subscribe to 1,740,000 ordinary shares, each with a par value of €0.25, at a strike price of €1.79 per ordinary share, i.e.

a total subscription price of €3 million in the event that all warrants are exercised. These BSPCE warrants can be exercised provided investors sell at a certain price.

The 2,659,049 preference shares have the following specific benefits:

- a right to privileged information or the right to oppose decisions that affect the capital or its dilution;
- the right to a priority dividend to be calculated for the first time in relation to the results for the year ending 31 December 2016;
- the right to an advantageous ratio for conversion into ordinary shares during a liquidity event, and the right to an advantageous conversion ratio during a dilutive event.

The mechanism for converting A shares into ordinary shares involved allocating part of the additional paid-in capital to a non-distributable reserve, in the amount of €1.3 million.

BSPCE AND BSA PLANS

	Date of allotment	No. of warrants allotted	Strike price	Date of expiry	Cancelled	Exercised	Outstanding at 31/12/2012
BSPCE:							
	31/03/2009	95,000	1.35	31/03/2014	592	39,408	55,000
	10/06/2010	17,704	1.49	10/06/2015	13,278	4,426	0
	28/01/2011	130,576	1.79	28/01/2016	32,644	0	97,932
	21/12/2009	375,607	1.88	21/12/2014	71,806	69,606	234,195
	29/08/2008	136,750	1.92	29/08/2013	128,937	7,813	0
	13/07/2010	90,830	2.71	13/07/2015	43,712	22,140	24,978
	30/09/2010	<u>187,336</u>	2.71	30/09/2015	<u>0</u>	<u>0</u>	<u>187,336</u>
		<u>1,033,803</u>			<u>290,969</u>	<u>143,393</u>	<u>599,441</u>
BSA:							
	31/03/2009	<u>150,000</u>	1.35	31/03/2014	<u>52,575</u>	<u>69,543</u>	<u>27,882</u>

The BSPCE can be exercised as follows:

- a quarter will be exercisable between the award date and the first anniversary thereof;
- half will be exercisable between the first and second anniversaries of the award date;
- three quarters will be exercisable between the second and third anniversaries of the award date;
- all will be exercisable between the third anniversary of the award date and the five-year date of expiry.

All BSAs may be exercised.

If all BSPCE and BSA warrants outstanding at 31 December 2012 were exercised, the share capital would increase by €156,831 by the creation of 627,323 new ordinary shares with an issue premium totalling €1,146,016. The potential dilutive effect on earnings per share would reduce earnings of €1 to €0.93.

VII – CONDITIONAL ADVANCE

As at 31 December 2012, the OSEO Innovation aid of €400,000 remained repayable over three years from 2013: €100,000 due in 2013, €150,000 due in 2014 and €150,000 due in 2015.

VIII – BANK LOANS AND BORROWINGS

- With financial institutions

Borrowings of €2,660 as at 31 December 2012 are guaranteed through the pledging of the financed assets, while €1,724,000 relates to OSEO financing secured against the CIR receivables assigned to OSEO.

- Borrowings and financial debt

The balance of borrowings and financial debt comprises €1,305,637 with the shareholder Climate Change Capital, which was converted into convertible bonds on 28 January 2013.

IX – REVENUE AND GROSS PROFIT

The revenue and gross profit generated by contracts for the sale of treatment lines are recognised based on the stage of completion.

This stage of completion is assessed by taking into account time spent by the teams working on the job and services and/or purchases from suppliers involved in the manufacture of the treatment line.

A share of costs is thus recognised in the same proportion as revenue.

XI – OTHER INFORMATION

The Company enjoyed Young Innovative Company status until 30 June 2012 for its Aix-en-Provence site and until 31 December 2012 for its Jouy-en-Josas site. The status no longer applies to the Company as a whole as of 1 January 2013.

The number of DIF (individual right to training) hours outstanding at 31 December 2012 was 1,610.

Additional items on the income statement

1 – NET EXCEPTIONAL INCOME

EXCEPTIONAL INCOME

- | | |
|---|---------|
| • URSSAF social security contribution adjustment for 2011 | €36,898 |
| • Disposal of tangible fixed assets | €22,771 |

Total income	€59,669
---------------------	----------------

EXCEPTIONAL EXPENSE

- | | |
|---|------------|
| • Charges to accelerated depreciation provision for development costs | €1,058,080 |
| • Late-payment penalties and tax and social security fines | €28,084 |
| • Exceptional provision on prior receivables | €33,965 |
| • Net carrying amount on disposal of tangible fixed assets | €23,066 |
| • Late-payment penalties and miscellaneous fines | €547 |

Total expense	€1,143,742
----------------------	-------------------

3 – AVERAGE WORKFORCE

Executives	26
Employees	11
<u>Total</u>	<u>37</u>

4 – INCREASE/DECREASE IN FUTURE TAX PAYABLES

NATURE OF TEMPORARY DIFFERENCES	AMOUNT
---------------------------------	--------

INCREASES Regulated provisions: <ul style="list-style-type: none"> - Accelerated depreciation provision - Provisions for price increases - Provisions for share price fluctuations Others <ul style="list-style-type: none"> - Start-up costs 	2,037,711
TOTAL INCREASE	2,037,711
DECREASES Provisions not deductible in year of recognition: <ul style="list-style-type: none"> - for paid leave - profit sharing Others ORGANIC CONSTRUCTION EFFORT	
TOTAL DECREASE	
Accelerated depreciation Tax loss carryforwards Long-term capital losses	10,106,836

5 – REMUNERATION ALLOCATED TO THE MANAGEMENT AND SUPERVISORY BODIES

Members of the Executive Board	€203,466
Members of the Supervisory Board (attendance fees)	€60,622

6 – FINANCE LEASES

The income statement expense pertaining to equipment leases amount to €28,187.

Charges yet to be incurred amounted to €172,875 at the end of the year.

7 – STATUTORY AUDITOR'S FEES

The statutory auditor's fees recorded on the income statement amounted to €38,515 in respect of the statutory audit as defined by the professional standards pursuant to part II of Article L. 822-11.

Other financial information

1 – RETIREMENT OBLIGATIONS

The majority of the Company's workforce is under 50 years of age and has been at the Company for a short time. As a result, no retirement obligations have been recorded as they are not deemed significant at this stage.

FIXED ASSETS

A	Gross carrying amount at start of year	Increase	
		Revaluations	Acquisitions
Intangible assets			
Start-up and development costs	6,797,945		2,630,747
Other intangible assets	372,286		33,983
TOTAL I + II	7,170,231		2,664,730
Tangible assets			
Land			
General fixtures and fittings	10,103		
Tools, equipment and technical fixtures	1,754,958		444,187
Other general fixtures and fittings	88,050		11,670
Transport equipment	76,753		12,778
Office and IT equipment, furniture	48,636		19,920
Assets under construction	33,564		249,771
TOTAL III	2,012,064		738,326
Financial assets			
Loans and other financial assets	21,528		14,344
TOTAL IV	21,528		14,344
OVERALL TOTAL I+II+III+IV	9,203,824	-	3,417,400

FIXED ASSETS (CONT.)

B	Decreases		Gross carrying amount at end of year	Revaluation of original value
	By transfer	By disposal		
Intangible assets Start-up and development costs Other intangible assets			9,428,692 406,270	
TOTAL I + II	-	-	9,834,962	
Tangible assets Land General fixtures and fittings Tools, equipment and technical fixtures Other general fixtures and fittings Transport equipment Office and IT equipment, furniture Assets under construction		8,300 19,402	10,103 2,199,145 99,721 81,231 49,154 249,771	
	33,564			
TOTAL III	33,564	27,702	2,689,124	
Financial assets Loans and other financial assets			35,872	
TOTAL IV			35,872	
OVERALL TOTAL I+II+III+IV	33,564	27,702	12,559,958	

DEPRECIATION AND AMORTISATION

A - Situation and changes during the year				
DEPRECIABLE ASSETS	Value at start of year	Charges	Disposals /reversal of charges	Disposals /reversal of charges
Intangible assets Start-up and development costs Other intangible assets	72,765	22,552		95,317
TOTAL I + II	72,765	22,552	-	95,317
Tangible assets Land General fixtures and fittings Tools, equipment and technical fixtures Other general fixtures and fittings Transport equipment Office and IT equipment, furniture Assets under construction	10,103 1,270,571 62,256 43,419 26,287	653,158 13,488 17,508 9,784	4,636	10,103 1,923,729 75,744 56,291 36,071 36,071
TOTAL III	1,412,637	693,937	4,636	2,101,938
OVERALL TOTAL I+II+III	1,485,402	716,489	4,636	2,197,255

B - BREAKDOWN OF CHANGES AFFECTING ACCELERATED DEPRECIATION PROVISIONS							
DEPRECIABLE ASSETS	CHARGES			REVERSALS			Net changes over the year
	Timing differences	Declining-balance method	Special tax depreciation	Timing differences	Declining-balance method	Special tax depreciation	
Intangible assets Start-up and development costs Other intangible assets	1,058,080						1,058,080
TOTAL I + II	1,058,080	-	-	-	-	-	1,058,080
Tangible assets Land General fixtures and fittings Tools, equipment and technical fixtures Other general fixtures and fittings Transport equipment Office and IT equipment, furniture Assets under construction							
TOTAL III	-	-	-	-	-	-	-
OVERALL TOTAL I+II+III+IV	1,058,080	-	-	-	-	-	1,058,080

C - CHANGES IN THE YEAR AFFECTING CHARGES SPREAD OVER SEVERAL YEARS				Net amount at start of year	Increases	Exceptional charges	Net amount at end of year
Amortised debt issuance costs							
Bond redemption premiums							

PROVISIONS AND IMPAIRMENT RECORDED ON THE BALANCE SHEET

	Amount at the start of the year	Charges during the year	Reversals during the year	Amount at the end of the year
Regulated Provisions				
Provisions for reconstitution of mining and oil resources				
Provisions for investments				
Provisions for price increases				
Accelerated depreciation provisions	979,630	1,058,080		2,037,710
of which exceptional increases of 30%				
Tax provisions for foreign operations set up before 01/01/1992				
Tax provisions for foreign operations set up after 01/01/1992				
Provisions for start-up loans				
Other regulated provisions				
TOTAL I	979,630	1,058,080	0	2,037,710
Provisions for risks and litigation				
Provisions for litigation				
Provisions for customer warranties				
Provisions for losses on futures markets				
Provisions for fines and penalties				
Provisions for currency losses				
Provisions for retirement and similar obligations				
Provisions for taxes				
Provisions for replacement of fixed assets				
Provisions for major repairs				
Provisions for social security and tax charges on paid leave				
Other provisions for risks and charges				
TOTAL II	0	0	0	0
Impairment				
Of intangible fixed assets				
Of tangible fixed assets				
Of investments accounted for using the equity method				
Of equity interests				
Of other long-term financial assets				
Of inventories and work in progress				
Of customer accounts				
Other impairment				
TOTAL III	0	0	0	0
TOTAL I+II+III	979,630	1,058,080	-	2,037,710

of which charges and reversals	- operating		
	- financial		
	- exceptional	1,058,080	

STATEMENT OF RECEIVABLES AND PAYABLES

A - STATEMENT OF RECEIVABLES	Gross amount	Up to 1 year	1-5 years
Fixed assets			
Receivables from equity interests			
Loans (1) (2)			
Other long-term financial assets	35,872		35,872
Current assets			
Doubtful or disputed trade receivables			
Other trade receivables	1,310,044	1,310,044	
Receivables representing loaned securities			
Staff and related accounts			
Social security and other labour-related bodies			
Income taxes			
VAT	688,982	688,982	
Other taxes, duties and similar payments	3,438,126	3,438,126	
Miscellaneous group and associates (2)			
Miscellaneous receivables	40,834	40,834	
Prepaid expenses	579,463	579,463	
Total	6,093,322	6,057,450	35,872

(1) of which loans granted during the year	
(1) of which repayments received during the year	
(2) Loans and advances to associates	

B - STATEMENT OF PAYABLES	Gross amount	Up to 1 year	1-5 years	More than 5 years
Convertible bonds (1)				
Other bonds (1)				
Bank debt and borrowings: (1)				
• with initial maturity of up to 1 year	3,736	3,736		
• with initial maturity of more than 1 year	2,918,750	2,367,086	551,664	
Miscellaneous financial debt and borrowings (1) (2)	1,305,637		1,305,637	
Trade payables and related accounts	942,236	942,236		
Staff and related accounts	163,578	163,578		
Social security and other labour-related bodies	532,334	532,334		
Income taxes				
VAT	736,684	736,684		
Guaranteed bonds				
Other taxes, duties and similar payments	91,277	91,277		
Debt on fixed assets and related accounts				
Group and associates (2)	24,357	24,357		
Other payables	15,080	15,080		
Payables representing loaned securities				
Prepaid income	69,000	69,000		
Total	6,802,669	4,945,368	1,857,301	0

(1) Loans taken out during the year	427,590
(1) Loans repaid during the year	303,968
(2) Borrowings and debt due to associates	

ACCRUED INCOME

(Articles R. 123-195 and R. 123-196 of the French Commercial Code)

Accrued income included in the following items on the balance sheet	31/12/2012	31/12/2011
Receivables from equity interests		
Other long-term securities		
Loans		
Other long-term financial assets		
Trade receivables and related accounts	1,216,093	943,139
Other receivables	3,438,126	2,235,919
Marketable securities		11,448
Cash		
Total	4,654,219	3,190,506

ACCRUED EXPENSE

(Articles R. 123-195 and R. 13-196 of the French Commercial Code)

Accrued expense included in the following items on the balance sheet	31/12/2012	31/12/2011
Convertible bonds		
Other bonds		
Bank debt and borrowings	3,736	4,519
Miscellaneous borrowings and financial debt		
Trade payables and related accounts	216,535	176,104
Tax payables and related accounts	311,965	289,181
Other payables		
Total	532,236	469,804

PREPAID INCOME AND EXPENSE

(Articles R. 123-195 and R. 123-196 of the French Commercial Code)

Prepaid income	31/12/2012	31/12/2011
Operating income	69,000	
Financial income		
Exceptional income		
TOTAL	69,000	0

Prepaid expenses	31/12/2012	31/12/2011
Operating expense	579,463	484,010
Financial expense		
Exceptional expense		
TOTAL	579,463	484 0

III. Statutory auditor's report on the historical financial statements prepared in accordance with French GAAP for the year ended 31 December 2011

"To the shareholders,

In accordance with the terms of our appointment by your shareholders' general meeting, we present to you our report relating to the year ended 31 December 2011 on:

- *our audit of the attached Orège SA annual financial statements;*
- *the basis of our opinion;*
- *the specific information and verifications required by law.*

The annual financial statements were approved by your Executive Board. It is our job to express an opinion on these financial statements on the basis of our audit.

I. Opinion on the annual financial statements

We performed our audit in accordance with the applicable French professional standards, which require us to exercise due care to obtain reasonable assurance that the financial statements are free of material misstatement. An audit involves the verification, on a test basis or by other methods of selection, of the evidence supporting the amounts and disclosures in the annual financial statements. It also consists of assessing the accounting principles used, the significant estimates made and the overall presentation of the financial statements. We believe that our audit has provided us with sufficient relevant information on which to base our opinion.

In our opinion, and with regard to French accounting principles and rules, the annual financial statements provide a true and fair view of the Company's assets, liabilities and financial position at 31 December 2011 and of its results for the year then ended.

Without qualifying the opinion expressed above, we draw your attention to the point made in the notes to the financial statements on business continuity.

II. Basis of our opinion

In accordance with the provisions of Article L. 823-9 of the French Commercial Code relating to the basis of our opinion, we draw your attention to the following:

The notes describe the accounting principles and rules, particularly those relating to research and development costs. As part of our assessment of the accounting principles and rules relating to these assets, we assessed the suitability of the accounting methods used and of the information provided in

the notes to the financial statements. In our opinion, they were applied correctly. We also assessed the factors taken into consideration to estimate the value of inventories.

These assessments are part of our audit of the annual financial statements taken as a whole and therefore contributed to the formation of our opinion, as expressed in the first part of this report.

III. Specific information and verifications

In accordance with the applicable French professional standards, we also performed the specific verifications required by law.

We have no comment as to the fair presentation and conformity with the annual financial statements of the information provided in the Executive Board's report and in the documents addressed to the shareholders on the financial position and the annual financial statements.

Versailles, 14 June 2012

BDO FRANCE - ABPR ILE DE FRANCE

Represented by Vincent BAILLOT

Statutory Auditor"

IV. Historical annual financial statements for the year ended 31 December 2011

ASSETS

	At 31/12/2011			At 30/09/2010
Name	Gross	Depreciation, amortisation and impairment	Net	Net
FIXED ASSETS				
Intangible assets				
- Research and development costs	6,797,945		6,797,945	3,404,942
- Concessions, patents and licences	372,286	72,765	299,521	178,457
- Business goodwill			0	
Tangible assets				
- Land			0	5,529
- Buildings	10,103	10,103		291,097
- Industrial and technical tools and equipment	1,754,958	1,270,571	484,386	104,733
- Other tangible fixed assets	213,440	131,962	81,478	51,797
- Assets under construction	33,564		33,564	
- Advances and payments on account				
Financial assets:			0	
- Other equity interests	21,528		21,528	19,568
- Others				
TOTAL 1	9,203,824	1,485,402	7,718,423	4,056,125
CURRENT ASSETS				
Inventories and work in progress				
- Raw materials and other supplies	693,501		693,501	534,826
- Work in progress				
- Goods purchased for resale				
Advances and payments on account on orders	2,614		2,614	8,594
Operating receivables				
- Trade receivables and related accounts	1,518,483		1,518,483	15,377
- Others	3,057,534		3,057,534	1,334,184
Marketable securities: other securities	391,506		391,506	358,103
Cash	1,118,690		1,118,690	609,681
Prepaid expenses	484,010		484,010	81,228
TOTAL 2	7,266,337	0	7,266,337	2,941,994
Deferred tax assets 3			0	
OVERALL TOTAL 1 TO 3	16,470,162	1,485,402	14,984,760	6,998,119

LIABILITIES

	At 31/12/2011	At 30/09/2010
Name	Net	Net
Share capital (of which 2,270,446 paid in)	2,270,446	1,589,561
Additional paid-in capital	8,796,618	3,483,070
Reserves:		
- Legal	3,304	3,304
- Regulated	1,374,525	45,000
- Others	2,530	2,530
Retained earnings	- 1,871,892	- 1,902,743
Profit for the year	- 653,879	30,851
Regulated provisions	- 979,630	292,720
TOTAL 1	10,901,282	3,544,292
Conditional advances	400,000	300,000
Provisions for charges		420
Provisions for charges		
TOTAL 2	400,000	300,420
Financial debt		
- Convertible bonds		
- Other bonds		
- Bank debt and borrowings	1,075,647	753,786
- Borrowings and financial debt	13,946	75,018
Operating liabilities:		
- Trade payables and related accounts	1,173,679	1,249,853
- Tax and social security liabilities	1,420,206	971,924
- Others		
Prepaid income		102,825
Deferred tax liabilities		
TOTAL 3	3,683,478	3,153,406
OVERALL TOTAL 1 TO 3	14,984,760	6,998,119

(1) of which more than one year (a)	764,621	236,762
(1) of which less than one year (a)	2,918,857	2,916,644

INCOME STATEMENT

Name	At 31/12/2011	At 30/09/2010
OPERATING INCOME		
Sale of goods purchased for resale	2,099,645	585,386
Sale of finished goods and services	224,129	829,310
Net revenue	2,323,774	1,414,696
Production transferred to inventory		
Production capitalised	3,393,003	2,542,595
Operating grants	6,622	76,278
Reversal of provisions and depreciation and amortisation, transfer of charges	52	60
Other income		
TOTAL 1	5,723,451	4,033,629
OPERATING EXPENSE		
Purchase of goods for resale	158,724	417,196
Change in inventories		
Purchase of raw materials and other supplies	1,190,588	671,130
Change in supply inventories	- 158,674	- 417,196
Other external purchases	1,681,854	1,170,312
Taxes, duties and similar levies	102,356	68,419
Personnel expense:		
- Salaries and wages	2,646,761	2,201,140
- Social security costs	885,846	428,652
Charges to depreciation/amortisation and other provisions:		
- Amortisation/depreciation of fixed assets	676,582	500,844
- Amortisation of finance leases		
- Provisions on current assets		
- Provisions for risks and charges		
Other costs	42,411	27
TOTAL 2	7,226,448	5,040,524
OPERATING PROFIT (1-2)	-1,502,997	-1,006,895
FINANCIAL INCOME		
- Interest and other similar income	950	
- Reversal of provisions and transfer of charges		
- Currency gains		
- Net income from sale of marketable securities	23,756	914
TOTAL 5	24,706	915
FINANCIAL EXPENSE		
- Accruals to amortisation and provisions		
- Interest and similar expense	41,239	47,120
- Financial lease expense		
- Currency losses	1	
- Net expense on sale of marketable securities		
TOTAL 6	41,240	47,120
NET FINANCIAL INCOME (5-6)	-16,535	- 46,205

PROFIT BEFORE TAX	-1,519,531	-1,053,101
EXCEPTIONAL INCOME		
- From operations	4,155	
- From capital transactions	92,658	287,059
- Reversal of provisions and transfer of charges	420	14,580
TOTAL 7	97,232	301,639
EXCEPTIONAL EXPENSE		
- On operations	10,538	6,427
- On capital transactions	92,309	
- Charges to amortisation and provisions	686,910	292,720
TOTAL 8	789,757	299,147
NET EXCEPTIONAL INCOME (7-8)	- 692,525	2,492
- Income taxes (9)	-1,558,177	-1,081,460
- Deferred taxes (10)		
- Total income	5,845,389	4,336,182
- Total expense	6,499,268	4,305,331
NET PROFIT/LOSS	-653,879	30,851

ACCOUNTING RULES AND METHODS

(Decree no. 83-1020 of 29-11-1983 - Articles 7, 21, 24 start, 24-1, 24-2 and 24-3)

NOTES TO THE BALANCE SHEET AND INCOME STATEMENT

Notes to the balance sheet before appropriation of earnings for the year, with a balance sheet total of €14,984,760, and to the income statement for the year presented in list form, with revenue of €2,323,774 and a loss of €653,879.

The 15-month financial year ran from 1 October 2010 to 31 December 2011.

The notes and tables shown below are an integral part of the annual financial statements.

The annual financial statements are approved by the Executive Board.

Generally accepted accounting principles were applied in conformity with the principle of prudence and in accordance with the following assumptions:

- business continuity (see "Rules and methods", § I);
- consistency of accounting methods;
- independence of financial years

and in accordance with the generally accepted rules for the preparation and presentation of annual financial statements.

The underlying method used for the measurement of accounting items used is the historical cost method.

The valuation methods used comply with the recommendations of the French Accounting Board and the French Institute of Chartered Accountants.

Significant events

The year ended 31 December 2011 was marked by the following events:

- The financial year end was changed. As a result, the financial year exceptionally ran for 15 months.
- On 17 February 2011, the Executive Board noted the exercise of:
 - 17,400 BSAs at €1.35 per share (issue premium included),
 - 5,556 BSPCEs at €1.35 per share (issue premium included),
 - 4,426 BSPCEs at €1.49 per share (issue premium included),
 - 19,074 BSPCEs at €1.88 per share (issue premium included),
 - 630 BSPCEs at €2.71 per share (issue premium included),resulting in a total nominal share capital increase of €11,771.50.
- On 21 June 2011, the Executive Board noted the completion of a share capital increase of €8,003,737.49 (issue premium included) in favour of two private equity funds through the creation of 2,659,049 new A preference shares, each with a par value of €0.25.

The 2,659,049 preference shares have the following specific benefits:

- a right to privileged information or the right to oppose decisions that affect the capital or its dilution;
- the right to a priority dividend to be calculated for the first time in relation to the results for the year ending 31 December 2016;
- the right to an advantageous ratio for conversion into ordinary shares during a liquidity event, and the right to a conversion ratio during a dilutive event.

The mechanism for converting A shares into ordinary shares involved allocating part of the additional paid-in capital to a non-distributable reserve, in the amount of €1.3 million.

- On 9 December 2011, 10,000 BSAs were exercised at €1.35 per share (issue premium included), and on 19 December 2011, 7,407 BSAs were exercised at €1.35 per share (issue premium included), resulting in a total nominal share capital increase of €4,351.75.

- The Company continued to recruit in order to cater for the growth of its business, particularly the deployment of its contracts;
- The Company also entered into its first two treatment service contracts with a mobile unit: one for the treatment of effluent with a SOFHYS mobile unit, and the other for the treatment of organic sludge with an SLG mobile unit.

Events after the reporting date

The Company was notified of a tax inspection on 26 October 2011 relating to the period between 1 January 2008 and 30 September 2010. The inspection was still ongoing at the end of the year. As at the date of preparation of the financial statements, the Executive Board had no information to suggest that this inspection would result in a material tax reassessment. As a result, no provision was made in this regard as at 31 December 2011.

MEASUREMENT AND PRESENTATION METHOD FOR THE ANNUAL FINANCIAL STATEMENTS AND NOTES ON THE MAIN ITEMS OF THE BALANCE SHEET AND THE INCOME STATEMENT

I – BUSINESS CONTINUITY

Generally accepted accounting principles were applied in conformity with the principle of prudence, including the going-concern assumption. The payment of a research tax credit (CIR) receivable for 2010 and 2011, in the total amount of more than €2 million, is delayed owing to the ongoing tax inspection pertaining to 2008 and 2009. The Company has arranged financing with banks, some of its shareholders and with OSEO in order to compensate for this delay and to ensure that it has the funds it requires over the 12 months following the approval of these accounts.

II – INTANGIBLE AND TANGIBLE FIXED ASSETS

Research and development costs

The costs incurred have been capitalised in fixed assets since they relate to clearly separate projects and are likely to result in profitable commercial contracts.

Development costs are amortised when the process is put into service, i.e. from the time the treatment lines enter into service or the industrial equipment becomes operational.

However, in order to comply with the minimum-amortisation rule for tax purposes, development costs are amortised through an accelerated depreciation account as at the first day of the financial year following their capitalisation. This accelerated depreciation is gradually reversed as the development costs are amortised.

Research and development costs break down into two main categories:

- Design and development of customised treatment lines;
- Design and development of industrial equipment.

The research and development costs for designing and developing customised treatment lines are amortised over five years, while those for designing and developing industrial equipment are amortised over 10 years in line with a usage forecast over this period.

Research and development costs are measured as the total cost of the direct labour associated with the dedicated applied research programmes, plus direct programme costs and a share of overhead costs relating to this direct labour.

Other intangible fixed assets

Patents, concessions and other intangible fixed assets were measured at cost, excluding purchase transaction charges.

They are amortised over their useful lives, i.e.:

Software	2 years
Patents	20 years

Tangible fixed assets

The gross carrying amount of tangible fixed assets is their initial carrying amount including the costs required to make them available for use, excluding purchase transaction costs.

The following useful lives were adopted:

Buildings	6 years
Test units	2 or 3 years
Electrodes	1 year
Industrial equipment, laboratory equipment and fittings	2 or 3 years
Fixtures and fittings	6 years
Furniture	5 years
Vehicles	4 years

III – VALUATION OF INVENTORIES

Material and goods purchased for resale were measured at cost using the historical-cost method.

Storage costs are not included in the valuation of inventories.

IV – RECEIVABLES, IMPAIRMENT AND PAYABLES

Receivables and payables were measured at their nominal amount.

Where necessary, receivables are subject to an impairment provision to reflect any likely difficulties in recovering them.

No provisions of this type had been made as at 31 December 2011.

V – CASH

Cash in hand or at bank was measured at its nominal amount.

VI – SHAREHOLDERS' EQUITY

Composition of share capital

ORDINARY SHARES	Number	Par value
Shares or units making up the share capital at the start of the year	6,358,243	0.25
Capital increase of 17 February 2011	47,086	0.25
Capital increase of 21 June 2011	2,659,049	0.25
Capital increase of 12 December 2011	17,407	0.25
Shares or units making up the share capital at the end of the year	9,081,785	0.25

The Company issued 130,576 BSPCE warrants in the 2010/11 financial year, each entitling the subscription of one share.

The twenty-seventh resolution passed at the shareholders' ordinary and extraordinary general meeting of 21 December 2009 assigned double voting rights to all fully paid-up shares with proven registered ownership of at least two years by the same shareholder. As at 31 December 2011, there were 3.836.009 shares of the Company with double voting rights.

CHANGE IN SHAREHOLDERS' EQUITY

(in €)	Capital	Additional paid-in capital	Reserves	Special reserve	Retained earnings	Profit for the year	Regulated provisions	TOTAL
Balance at 30 September 2010	1,589,561	3,483,070.	50,833	-	(1,902,743)	30,851	292,720	3,544,292
Capital increase of 17 February 2011	11,772	63,069						
Capital increase of 21 June 2011	664,762	6,560,857						
Capital increase of 19 December 2011	4,351	19,147						
Allocation of result for the year to retained earnings					30,851	(30,851)		
Charges to accelerated depreciation provision							686,910	
Transfer of A shares to the conversion reserve		(1,329,525)		1,329,525				
Profit for the year						(653,879)		
Balance at 30 September 2011	2,270,446	8,796,618	50,833	1,329,525	(1,871,952)	(653,879)	979,630	10,901,282

Following the entry into the share capital of Climate Change Capital Private Equity LP, Climate Change Capital Private Equity Co-Investment LP and Oraxys Environnement, 1,740,000 "BSPCE Relutif 2011" warrants were issued, granting the right to subscribe to 1,740,000 ordinary shares, each with a par value of €0.25, at a strike price of €1.79 per ordinary share, i.e. a total subscription price of €3 million in the event that all warrants are exercised. These BSPCE warrants can be exercised provided investors sell at a certain price.

The 2,659,049 preference shares have the following specific benefits:

- a right to privileged information or the right to oppose decisions that affect the capital or its dilution;
- the right to a priority dividend to be calculated for the first time in relation to the results for the year ending 31 December 2016;
- the right to an advantageous ratio for conversion into ordinary shares during a liquidity event, and the right to an advantageous conversion ratio during a dilutive event.

The mechanism for converting A shares into ordinary shares involved allocating part of the additional paid-in capital to a non-distributable reserve, in the amount of €1.3 million.

BSPCE AND BSA PLANS

	Date	No. of warrants	Strike	Date			Outstanding at
	of allotment	allotted	price	of expiry	Cancelled	Exercised	31/12/2011
BSPCE:							
	31/03/2009	95,000	1.35	31/03/2014	0	27,556	67,444
	10/06/2010	17,704	1.49	10/06/2015	0	4,426	13,278
	28/01/2011	130,576	1.79	28/01/2016	0	0	130,576
	21/12/2009	375,607	1.88	21/12/2014	28,239	69,606	277,762
	29/08/2008	136,750	1.92	29/08/2013	39,200	7,813	89,737
	13/07/2010	90,830	2.71	13/07/2015	0	22,770	68,060
	30/09/2010	187,336	2.71	30/09/2015	0	0	187,336
		1,033,803			67,439	132,171	834,193
BSA:							
	31/03/2009	150,000	1.35	31/03/2014	30,400	64,143	55,457

The BSPCEs can be exercised as follows:

- a quarter will be exercisable between the award date and the first anniversary thereof;
- half will be exercisable between the first and second anniversaries of the award date;
- three quarters will be exercisable between the second and third anniversaries of the award date;
- all will be exercisable between the third anniversary of the award date and the five-year date of expiry.

All BSAs may be exercised.

If all BSPCE and BSA warrants outstanding at 31 December 2011 were exercised, the share capital would increase by €222,413 by the creation of 889,650 new ordinary shares with additional paid-in capital totalling €1,583,630. The potential dilutive effect on earnings per share would reduce earnings of €1 to €0.91.

VII – CONDITIONAL ADVANCE

On 22 February 2010, the Company signed an innovation support agreement with OSEO Innovation for an amount totalling €400,000. As at 30 September 2010, the Company had received €300,000 of this financial aid. The final instalment of €100,000 was received in February 2011.

The aid is effectively an interest-free loan repayable over three years from 2013: €100,000 due in 2013, €150,000 due in 2014 and €150,000 due in 2015.

VIII – BANK BORROWINGS AND DEBT

Borrowings of €10,903 as at 31 December 2011 are guaranteed through the pledging of the financed assets.

IX – REVENUE AND GROSS PROFIT

The revenue and gross profit generated by contracts for the sale of treatment lines are recognised based on the stage of completion.

This stage of completion is assessed by taking into account time spent by the teams working on the job and services and/or purchases from suppliers involved in the manufacture of the treatment line.

A share of costs is thus recognised in the same proportion as revenue.

X – RESEARCH TAX CREDIT

In accordance with accounting guidelines, up to 31 December 2010, the income from tax credits deemed to be government aid was recognised in the "Other operating income" item on the income statement. A change was made to these guidelines, taking effect on 1 January 2011 and preventing such recognition under that item. As a result, this income was recognised in "Income taxes" for the year ended 31 December 2011. In order to ensure consistent presentation of this income, the presentation of the income statement for the previous year was modified and the tax credit income for that year was also recognised in "Income taxes".

XI – OTHER INFORMATION

The Company enjoys Young Innovative Company status. This status applies until 31 December 2012.

The number of DIF (individual right to training) hours outstanding at 31 December 2011 was 930.

Exceptional income at 30 September 2010 included income of €284,000 owing to the reversal of an error.

Additional items on the income statement

1 – NET EXCEPTIONAL INCOME

EXCEPTIONAL INCOME

• Disposal of tangible fixed assets	€92,658
• Reversal of provision for commercial litigation	€420
• Late-payment penalties received in relation to supplier services	€4,154

Total income **€97,232**

EXCEPTIONAL EXPENSE

• Charges to accelerated depreciation provision for development costs	€686,910
• Late-payment penalties and tax and social security fines	€10,538
• Net carrying amount on disposal of tangible fixed assets	€92,309

Total expense **€789,757**

3 – AVERAGE WORKFORCE

Executives	27
Employees	11
<hr/>	
<u>Total</u>	<u>38</u>

4 – INCREASE/DECREASE IN FUTURE TAX PAYABLES

NATURE OF TEMPORARY DIFFERENCES	AMOUNT
INCREASES Regulated provisions: <ul style="list-style-type: none"> - Accelerated depreciation provisions - Provisions for price increases - Provisions for share price fluctuations Others <ul style="list-style-type: none"> - Start-up costs 	979,630
TOTAL INCREASE	979,630
DECREASES Provisions not deductible in year of recognition: <ul style="list-style-type: none"> - for paid leave - profit sharing Others ORGANIC CONSTRUCTION EFFORT	
TOTAL DECREASE	
Accelerated depreciation Tax loss carryforwards Long-term capital losses	6,847,940

5 – REMUNERATION ALLOCATED TO THE MANAGEMENT AND SUPERVISORY BODIES

Members of the Executive Board	€230,546
Members of the Supervisory Board (attendance fees)	€42,384

6 – FINANCE LEASES

The Company entered into three equipment lease contracts during the year.

The income statement expense pertaining to these three contracts amount to €3,666.

Charges yet to be incurred amounted to €99,330 at the end of the year.

7 – STATUTORY AUDITOR'S FEES

The statutory auditor's fees recorded on the income statement amounted to €33,012 in respect of the statutory audit as defined by the professional standards pursuant to part II of Article L. 822-11.

Other financial information

1 – RETIREMENT OBLIGATIONS

The vast majority of the Company's workforce is under 50 years of age and has been at the Company for a short time. As a result, no retirement obligations have been recorded as they are not deemed significant at this stage.

FIXED ASSETS

A	Gross carrying amount at start of year	Increase	
		Revaluations	Acquisitions
Intangible assets			
Start-up and development costs	3,404,942		3,393,003
Other intangible assets	217,797		157,119
TOTAL I + II	3,622,739		3,550,122
Tangible assets			
Land			
General fixtures and fittings	10,103		
Tools, equipment and technical fixtures	984,952		814,490
Other general fixtures and fittings	73,568		14,483
Transport equipment	59,171		53,541
Office and IT equipment, furniture	43,047		14,826
Assets under construction	51,797		
TOTAL III	1,222,637		897,340
Financial assets			
Loans and other financial assets	19,568		1,960
TOTAL IV	19,568		1,960
OVERALL TOTAL I+II+III+IV	4,864,944		4,449,422

B	Decreases		Gross carrying amount at end of year	Revaluation of original value
	By transfer	By disposal		
Intangible assets				
Start-up and development costs			6,797,945	
Other intangible assets		2,629	372,286	
TOTAL I + II		2,629	7,170,231	
Tangible assets				
Land			10,103	
General fixtures and fittings			1,754,958	
Tools, equipment and technical fixtures		44,484	88,050	
Other general fixtures and fittings			-	
Transport equipment		35,959	76,753	
Office and IT equipment, Furniture		9,237	48,636	
Assets under construction		18,233	33,564	
TOTAL III		107,913	2,012,064	
Financial assets				
Loans and other financial assets			21,528	
TOTAL IV		-	21,528	
OVERALL TOTAL I+II+III+IV		110,542	9,203,824	

DEPRECIATION AND AMORTISATION

A - Situation and changes during the year				
DEPRECIABLE ASSETS	Value at start of year	Charges	Disposals /reversal of charges	Disposals /reversal of charges
Intangible assets				
Start-up and development costs				
Other intangible assets	39,340	33,425		72,765
TOTAL I + II	39,340	33,425	-	72,765
Tangible assets				
Land				
General fixtures and fittings	4,574	5,529		10,103
Tools, equipment and technical fixtures	693,854	576,717		1,270,571
Other general fixtures and fittings	33,288	28,968		62,256
Transport equipment				
Office and IT equipment, furniture	23,831	19,588		43,419
Assets under construction	13,933	12,354		26,287
TOTAL III	769,480	643,157	-	1,412,637
OVERALL TOTAL I+II+III	808,820	676,582	-	1,485,402

B - BREAKDOWN OF CHANGES AFFECTING PROVISIONS FOR THE ACCELERATED DEPRECIATION PROVISION							
DEPRECIABLE ASSETS	CHARGES			REVERSALS			Net changes over the year
	Timing differences	Declining-balance method	Special tax depreciation	Timing differences	Declining-balance method	Special tax depreciation	
Intangible assets							
Start-up and development costs							
Other intangible assets	686,910						686,910
TOTAL I + II	686,910	-	-	-	-	-	686,910
Tangible assets							
Land							
General fixtures and fittings							
Tools, equipment and technical fixtures							
Other general fixtures and fittings							
Transport equipment							
Office and IT equipment, furniture							
Assets under construction							
TOTAL III		-	-	-	-	-	-
OVERALL TOTAL I+II+III+IV	686,910	-	-	-	-	-	686,910

C - CHANGES IN THE YEAR AFFECTING CHARGES SPREAD OVER SEVERAL YEARS				Net amount at start of year	Increase s	Exceptional charges	Net amount at end of year
Amortised debt issuance costs							
Bond redemption premiums							

PROVISIONS AND IMPAIRMENT RECORDED ON THE BALANCE SHEET

	Amount at the start of the year	Charges during the year	Reversals during the year	Amount at the end of the year
Regulated Provisions				
Provisions for reconstitution of mining and oil resources				
Provisions for investments				
Provisions for price increases				
Accelerated depreciation provisions	292,720	686,910		979,630
of which exceptional increases of 30%				
Tax provisions for foreign operations set up before 01/01/1992				
Tax provisions for foreign operations set up after 01/01/1992				
Provisions for start-up loans				
Other regulated provisions				
TOTAL I	292,720	686,910	0	979,630
Provisions for risks and litigation				
Provisions for litigation	420		420	
Provisions for customer warranties				
Provisions for losses on futures markets				
Provisions for fines and penalties				
Provisions for currency losses				
Provisions for retirement and similar obligations				
Provisions for taxes				
Provisions for replacement of fixed assets				
Provisions for major repairs				
Provisions for social security and tax charges on paid leave				
Other provisions for risks and charges				
TOTAL II	420	0	420	0
Impairment				
Of intangible fixed assets				
Of tangible fixed assets				
Of investments accounted for using the equity method				
Of equity interests				
Of other long-term financial assets				
Of inventories and work in progress				
Of customer accounts				
Other impairment				
TOTAL III	0	0	0	0
TOTAL I+II+III	293,140	686,910	420	979,630

of which charges and reversals	operating financial exceptional	686,910	420
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STATEMENT OF RECEIVABLES AND PAYABLES

A - STATEMENT OF RECEIVABLES	Gross amount	Up to 1 year	1-5 years
Fixed assets			
Receivables from equity interests			
Loans (1) (2)			
Other long-term financial assets	21,528		21,528
Current assets			
Doubtful or disputed trade receivables			
Other trade receivables			
Receivables representing loaned securities	1,518,483	1,518,483	
Staff and related accounts			
Social security and other labour-related bodies			
Income taxes			
VAT			
Other taxes, duties and similar payments	792,560	792,560	
Other	2,235,919	2,235,919	
Group and associates (2)			
Miscellaneous receivables	29,054	29,054	
Prepaid expenses	484,010	484,010	
Total	5,081,555	5,060,097	21,528

(2) of which loans granted during the year	
(3) of which repayments received during the year	
(4) Loans and advances to associates	

B - STATEMENT OF PAYABLES	Gross amount	Up to 1 year	1-5 years	More than 5 years
Convertible bonds (1)				
Other bonds (1)				
Bank debt and borrowings: (1)				
• with initial maturity of up to 1 year	4,519	4,519		
• with initial maturity of more than 1 year	1,071,128	306,507	764,621	
Miscellaneous financial debt and borrowings	1,173,679	1,173,679		
(1) (2)	189,140	189,140		
Trade payables and related accounts	273,738	273,738		
Staff and related accounts				
Social security and other labour-related bodies	919,049	919,049		
Income taxes				
VAT	38,278	38,278		
Guaranteed bonds				
Other taxes, duties and similar payments	13,946	13,946		
Debt on fixed assets and related accounts				
Group and associates (2)				
Other payables				
Payables representing loaned securities				
Prepaid income				
Total	3,683,478	2,918,857	764,621	0

(1) Loans taken out during the year	872,410
(1) Loans repaid during the year	563,191
(2) Borrowings and debt from associates	

ACCRUED INCOME

(Articles R. 123-195 and R. 123-196 of the French Commercial Code)

Accrued income included in the following items on the balance sheet	31/12/2011	31/09/2010
Receivables from equity interests		
Other long-term securities		
Loans		
Other long-term financial assets		
Trade receivables and related accounts	943,139	804
Other receivables	2,235,919	729,553
Marketable securities	11,448	103
Cash		
Total	3,190,506	730,460

ACCRUED EXPENSE

(Articles R. 123-195 and R. 13-196 of the French Commercial Code)

Accrued expense included in the following items on the balance sheet	31/12/2011	31/09/2010
Convertible bonds		
Other bonds		
Bank debt and borrowings	4,519	2,497
Miscellaneous borrowings and financial debt		
Trade payables and related accounts	176,104	799,601
Tax payables and related accounts	289,181	231,080
Other payables		
Total	469,804	1,033,178

PREPAID INCOME AND EXPENSE

(Articles R. 123-195 and R. 123-196 of the French Commercial Code)

Prepaid income	31/12/2011	30/09/2010
Operating income		102,825
Financial income		
Exceptional income		
TOTAL	0	102,825

Prepaid expenses	31/12/2011	30/09/2010
Operating expense	484,010	81,228
Financial expense		
Exceptional expense		
TOTAL	484,010	81,228