

Voisins Le Bretonneux, 10 April 2019 (8am)

2018 FULL-YEAR EARNINGS

OREGE is reporting its full-year earnings for the year ended 31 December 2018.

Summary financial information (audited consolidated financial statements, approved by the Board on 4 April 2019).

€'000 - IFRS	2018	2017 Restated*	2017
Revenues	2,260	387	706
Net operating expenses:			
Staff costs	-4,030	-5,082	-5,082
Operating expenses:			
Manufacturing, subcontracting	-2,350	-1,643	-1,847
Travel and subsistence costs	-1,019	-879	-879
Leasing and maintenance	-897	-1,318	-1,318
Other operating expenses	-1,713	-1,534	-1,534
Depreciation	-455	-175	-175
Amortization	-333	-1,242	-1,242
Total net operating expenses	-10,797	-11,873	-12,077
Operating income	-8,537	-11,486	-11,371
Financial income and expenses	-2,378	-2,149	-2,149
Corporate income tax	-	-	-
Net income	-10,915	-13,635	-13,520

* In connection with the application of IFRS 15 "Revenue from Contracts with Customers", Orege has restated its full-year revenues for 2017. Sales of SLG[®] solutions, which are dependent on the performance levels achieved, are only recognised and booked from an accounting perspective after final validation by the client once the performance tests have been completed. Such sales were previously recorded based on the percentage-of-completion method. As a result, €0.3m have been restated from revenues for 2017 and €0.1m have been restated from operating income following a final acceptance formalized by a client in 2018.

Revenues and business

2018 revenues came to €2,260k, compared with €387k for 2017 (restated). This figure reflects the start of healthy commercial sales growth. The company has confirmed the commercial potential of its SLG[®] solutions, with several contracts signed in the US and UK with both industrial firms and municipalities. The company has also further strengthened the foundations for its strategic development, signing a partnership deal at the end of the year with the Japanese group ITOCHU Corporation.



At the date of this press release, the order book** represented a total value of around €2.5m and several new contracts are expected to be signed during the first half of 2019.

** The order book includes only firm orders and does not take into account options for orders or letters of intent that have been obtained.

Net operating expenses

Total operating expenses are down 9% year-on-year, reflecting (i) the full-year impact of the rationalization of the organizational structure carried out in 2017, and (ii) the increase in direct costs in line with revenue growth and the execution of the underlying contracts.

Financing and cash flow

At 31 December 2018, the Group had €321k of cash and cash equivalents (€506k at 31 December 2017).

Financial debt totaled €44,975k, including €42,443k of shareholder current account advances (2017: €34,133k, including €31,963k of shareholder current account advances). Total equity represents -€40,670k (2017: -€29,584k).

A further shareholder current account advance of €7,000k was set up and guaranteed by Eren Industries on 4 April 2019, enabling the Group to meet all its financing requirements for the whole year in 2019.

Outlook

Orege's outlook is based on development driven by growing recognition of the efficiency and effectiveness of its SLG[®] solutions, the acceleration of their commercial deployment in high-potential regional markets, and the creation of an increasingly large installed base generating recurrent revenues and providing strong, visible industrial references.

Additional information

The 2018 annual financial report (in French) will be available on the company's website (www.orege.com) from 24 April 2019.

About SLG[®]

SLG[®] (solid, liquid, gas) is an innovative sludge conditioning, treatment and recovery technology. The SLG[®] technology offers a cost-effective and high-performance solution for industrial firms, operators and municipalities, by notably significantly reducing the volume of sludge to be evacuated and promoting its recovery by changing its physical, chemical and rheological characteristics, while improving the carbon footprint of the sites concerned.

Fully aligned with new regulatory and environmental requirements, the patented SLG[®] technology has received several international awards, including 2016 Breakthrough Technology of the Year at the Global Water Intelligence Awards and Most Innovative Technology at Birmingham Utility Week in 2017.



About Orege:

Orege is an international cleantech firm specialized in the development, manufacturing and marketing of conditioning, treatment and recovery solutions for municipal and industrial sludge and complex effluents. With bases in France, the US and the UK, it supports its clients in a dozen countries around the world.

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

<http://www.orege.com>

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