

Voisins Le Bretonneux, 30 September 2019 (18h00)

## RESULTS AND ACTIVITY FIRST HALF YEAR 2019

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OREGE announces its results for the first half year ended 30 June 2019.

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

In k€ - IFRS	H1 2019 (30 June 2019)	H1 2018* (30 June 2018)	Year 2018* (31 December 2018)
<b>Turnover</b>	<b>105</b>	<b>942</b>	<b>2 260</b>
<b>Operating expenses (net) :</b>			
Payroll expenses	-2 233	-2 145	-4 030
Other operating expenses	-2 475	-3 035	-5 979
Depreciation and amortisation	-340	-167	-788
<b>Total operating expenses</b>	<b>-5 048</b>	<b>-5 370</b>	<b>-10 797</b>
<b>Operating result</b>	<b>-4 943</b>	<b>-4 428</b>	<b>-8 537</b>
Financial result	-1 573	-1 027	-2 378
Corporation tax	0	0	0
<b>Net loss</b>	<b>-6 516</b>	<b>-5 455</b>	<b>-10 915</b>

### Turnover and commercial activity

In Great Britain, besides the Brexit uncertainties, several water utilities saw their draft five-year plan (April 2020 - April 2025) rejected by the regulator OfWat on July 18th. This very unusual situation affects the pace of negotiations initiated by Orège in H1 and will have a negative impact on 2019 sales compared to pre-summer expectations. In addition, in this context the proposal of Orège for the development of a very specific thickening solution completely integrated on a truck was not retained by one of the water utilities. Orège nonetheless remains confident about the potential of the UK market and is continuing negotiations with several water utilities.

In other geographical areas, Orège is currently executing a dozen projects in 5 countries, 9 of which were signed in H1 2019, which are expected to be completed in Q4 2019. Cumulated turnover from these contracts represents approximately K € 3,000.

Orège could also deploy its first projects in 3 new geographical areas in H2: Japan, Spain and Italy.



## Cash

At June 30, 2019, the Group's net cash position amounted to K€ 267 (K€ 321 as of December 31, 2018).

In July 2019, the Company completed a capital increase of 39.6 million euros, of which 5.7 million euros was subscribed in cash and 33.9 million euros by capitalization of part of the current account with majority shareholder Eren Industries. The maturity dates of the current account balance after the capital increase (of some € 15.3 million) as well as the amounts remaining to be drawn from the current account advances granted by Eren Industries (ie 3 million euros) are extended until 31 December 2023.

## Perspectives

The prospects of the Orège are founded on international development driven by the efficiency of its SLG® solutions and commercial deployment in high-potential geographic markets.

## Other information

The half-yearly report will be published in French and posted on the website of Orège ([www.orege.com](http://www.orege.com)) on September 30, 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 ORÈGE :

Orege is an international cleantech firm specialized in the development, manufacturing and marketing of treatment solutions for municipal and industrial sludge. With bases in France, the US, the UK and Germany, it supports its clients in a dozen countries around the world. The company is a partner of Itochu Machine-Technos Corp in Japan.

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

ISIN: FR0010609206 – OREGE.

## Contacts

### OREGE

Investor Relations & Financial Information  
[communication@orege.com](mailto:communication@orege.com)

### CALYPTUS

Cyril Combe  
tel: 01 53 65 68 68  
[orege@calyptus.net](mailto:orege@calyptus.net)

\* As part of the application of IFRS 15 "Revenue from Contracts with Customers", Orège has restated sales for the first half of 2018. Those sales of SLG® solutions which are conditioned on achievement of defined performance criteria, are only realised and accounted for after final validation of the customer following the conclusion of the performance tests. Previously, such sales were accounted for using the percentage of completion method. As a result, € 0.3 million were restated from 2017 revenues and recognized



as revenues in the first half of 2018 and € 0.1 million was restated from 2017 operating income and recognized in the first half of 2018 as a result of formal completion of the performance tests in March 2018.