

ANNUAL RESULTS 2023
NEW ORIENTATION TOWARDS BIOMETHANE PRODUCTION AND DEVELOPMENT OF SERVICES FOR INDUSTRIALS
Summary financial information for the year ended 31 December 2023.

Consolidated accounts approved by the board of directors on 25 April 2024
(The audit procedures by the auditors are being finalized.)

k€ - IFRS	2023	2022	Variation
Turnover	1 259	3 468	-64%
Net operating expenses:			
Staff costs	-3 682	-3 574	
Other operating expenses:			
Manufacturing, subcontracting and inventory variation	-1 440	-1 435	
Travel and subsistence expenses	-894	-873	
Rental and maintenance charges	-590	-508	
Other operating expenses	-1 377	-1 432	
Inventory depreciation charge	-284	88	
Fixed assets depreciation charge	-847	-467	
Total net operating expenses	- 9 114	- 8 201	+11%
Operating result	-7 855	-4 733	+66%
Financial result	-2 332	-1 475	
Corporation tax	-	-	
Net loss	-10 187	-6 208	+64%

Turnover

The turnover for the 2023 financial year amounts to 1,259 k€, confirming an anticipated decrease compared to 2022.

Operating expenses

The total operating expenses increased by 11% compared to the previous financial year, which essentially reflects an increase in depreciation and amortization charges mainly linked to a refurbishment and a transfer of stock units into fixed assets within the framework of the evolution towards service provision (see Evolution towards a business model of services to manufacturers and municipalities).

Financing and Cash

As of 31 December 2023, the Orège Group's cash position amounts to 627 k€ (450 k€ as of 31 December 2022).

Financial debts amount to 45,803 k€, including 45,002 k€ in shareholder current account advances (at the end of 2022 respectively: 36,513 k€ and 35,144 k€). Since the end of 2023, a new advance of 1,600 k€ has been committed with Eren Industries. This new advance, combined with the balance of 4,545 k€ of the previous advance unused as of 31 December 2023, should allow the Orège Group to cover the entire financing needs for 2024. The repayment deadline for these current account advances has been postponed to 31 December 2027.

Progress update on the new strategic direction towards biomethane production

Orège has developed innovative solutions to increase the production of biogas and biomethane from wastewater treatment plant sludge, with successful trials carried out on the Worcester site in Great Britain in 2023 with Severn Trent, one of the main “Water Companies”. As previously announced, Severn Trent and Orège presented the results of these trials last November in Manchester at the “European Biosolids & Bioresources Conference” and confirmed the observation of a 38% increase in biogas production over the course of the 1st phase of testing.

These results will be presented in June with Severn Trent in the United States at the “Residuals & Biosolids Conference” of the Water Environment Federation (WEF) as well as at the next congress of ASTEE (Association Scientifique et Technique pour l’Eau et l’Environnement) in Quimper, France.

Orège has set up a dedicated “biogas” team and is continuing its investments in the development of equipment dedicated to the production of biogas. Several trials will be carried out in 2024 to ensure the repeatability of the results in various environments and to facilitate the different stages of industrialization of the process.

Today, 2 units remain in operation on the Worcester site under a rental contract and discussions are continuing with several Water Companies.

In Italy, the contract with BrianzAcque in Monza is being deployed (expected turnover €0.8 million for a sludge thickening solution before digestion). Other potential contracts are still under discussion with several municipalities.



In addition, beyond the municipal sludge digestion market, Orège wishes to explore other sectors of the methanization market. Tests on livestock effluent and bio-waste are scheduled for 2024.

According to the European Biogas Association (EBA), there were 18,200 methanization installations in Europe in 2019, representing a production of 63,000 GWh of biogas, with the production of municipal wastewater treatment plants in Europe representing only 6% of total production (Source IEA report 2020).

Evolution towards a services business model to industrials and municipalities

Orège, having until now adopted a business model focused on the sale of equipment to municipalities, faces numerous challenges linked to long sales cycles and complex public procurement tender procedures. Consequently, Orège intends to develop, in parallel, a services activity offering mobile thickening and dewatering with a promise of performance thanks to its SLG technology.

This offer, which consists of renting mobile units, with or without an operator, to municipalities and industrials for flexible periods, is already being applied, as evidenced by the rental of mobile units in the United Kingdom, to meet customer needs urgent without initial investment for the customer.

It will make it possible to respond to planned process shutdowns, adapt to fluctuations in industrial production or even outsource the management of sludge treatment, and will generate recurring and more predictable revenues for Orège.

This strategy will require a medium and long term investment; a test will be facilitated in the short term by using the existing stock of equipment.

Additional information

The 2023 annual financial report will be available on the company's website in its French version (www.orege.com) from 30 April 2024.

Orège has been listed on the Euronext - Paris Regulated Market since 5 July 2013 ISIN FR0010609206 - OREGE.



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