

Press release

A paradoxical first half of 2018:

- **Low revenues of €3.5 million**
- **All the components of a recovery are in place**

Ormes, 7 August 2018

First-half revenue: €3.5 million

Vergnet Group posted particularly low revenues of €3.5 million in the first half of 2018, including €2.3 million in completed projects and €1.2 million in O&M.

From an accounting standpoint, this first half was impacted by several consecutive half-year periods during which Vergnet did not sign any contracts in light of the company's extremely difficult financial situation. During this period, the company executed previously signed contracts, which for the most part were completed in 2017.

All the components of a recovery were put in place during the first half of the year

The first half of 2018 was the period during which the Group put in place all the components of its recovery:

- Firstly, the company was taken over by the ARUM consortium on 15 December 2017, thereby avoiding liquidation. The recovery plan was approved by the Orléans Commercial Court and new management were brought in on 21 December 2017;
- Two major contracts (Antigua & Barbuda, Tonga) were signed during the first half of the year. They will be executed by the end of 2018, bringing an end to a long period of insufficient activity;
- Vergnet SA's balance sheet restructuring has been successfully completed. The decisions made by the Combined General Meeting of 5 June 2018, despite major losses in 2017 (net loss of €4.6 million), enabled the company to return to a positive equity position as of 30 June 2018;
- The company was relisted on 7 June 2018.

During this first half of the year, the company's cash flow needs were significant in light of continued loss-making operations and the cash required in order to execute new orders.

With no bank loans or guarantees of down payments from clients, Vergnet sought out and found investors who, despite the company's stretched cash flow, enabled it to continue its operations.

Overall, the company is ending the first half of the year with a healthier balance sheet, much lower debt, an order book to execute, and management and staff who are highly committed to the company's recovery.

The outlook for the second half is therefore positive, with revenues and income increasing sharply, which is a reflection in the company's accounts of a recovery that, in practice, is already underway.

About Vergnet SA

The Vergnet Group specialises in the production of renewable energies - wind, solar and hybrid. Leveraging its unique technologies, the Group has developed the Hybrid Wizard, a hybrid system that enables real time management of the portion of renewable energies injected onto the grid and at the same time guarantees safety and security of operations for insular or isolated grids.

The Group has 25 years' experience in exporting, engineering and O&M in complex and difficult environments and has installed 900 wind turbines and 365 MW of energy from all sources. It operates in over 40 countries and employs 120 people in 10 locations.

Vergnet has been listed on Euronext Growth since 12 June 2007 (FR0004155240 – ALVER).

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