



H1 2018 Results

Confirmation of the VERGNET Group's rapid recovery

Ormes, 24 October 2018

The Supervisory Board met on 15 October 2018 and approved the Group's financial statements for the first half of 2018.

In €m	H1 2018	H1 2017
Revenue	6.54	13.0
Other operating income	1.55	2.3
Consumed purchases	(2.23)	(7.2)
Personnel expenses	(3.74)	(4.6)
Other operating expenses	(1.67)	(2.8)
Taxes and duties	(0.11)	(0.2)
Depreciation, amortisation and provisions	(1.72)	(1.5)
Operating profit (loss)	(1.38)	(1.0)
Financial income (loss)	1.01	(0.1)
Ordinary pre-tax income (loss)	(0.37)	(1.1)
Extraordinary income	0.32	0.00
Income tax	(0.03)	(0.20)
Minority interests	-	-
Net income, group share	(0.08)	(1.3)

Note: the consolidated financial statements for the first half of 2018 were subject to a limited review by the Statutory Auditors

Virtually break-even H1 net income despite low revenues

H1 2018 was marked from an accounting standpoint by VERGNET's long period without signing any contracts, which dragged down revenues (€6.5m vs. €13m in H1 2017) but also reduced the amount of purchases (€2.2m vs. €7.2m in 2017).

That said, the Group has reaped the benefits of the actions undertaken by the Management Board since 6 March 2018, when the recovery plan was approved by the Commercial Court: signing of new contracts (Antigua and Tonga), lowering of the Group's break-even point (personnel expenses €3.7m vs. €4.6m in 2017), balance sheet restructuring (financial income: +€1 million).

Overall, the Group ended H1 2018 with virtually break-even net income (-€80,000), thereby managing to maintain the positive equity position resulting from the major capital operations carried out in June 2018. At end-June, this amounted to +€1.64m, vs. -€8.39m at end-December 2017.

Very encouraging prospects for the 2018 full-year results

H2 will be marked by a sharp recovery in revenues associated with the progress of the Antigua and Tonga contracts.

In these circumstances, the prospect of closing the 2018 financial year at break-even seems realistic, even though the Group posted a net loss of €4.58m in 2017.

New fundraising to strengthen the Group's cash position

The resumption of the activity in 2018, in a situation where it was not possible to benefit from down payments on contracts due to the lack of bank guarantees, rendered the Group's cash position tight.

In these circumstances, Vergnet issued 15 convertible bonds in favor of an institutional investor, for a subscription price of 600,000 euros.

Renewal of ISO 9001: 2015 quality certification

VERGNET demonstrates its ability to maintain its commitment to the efficiency and continuous improvement of its industrial processes by securing its ISO 9001: 2015 certification, a guarantee of confidence for its partners and customers.

Consolidated financial statements are available on the company's website.
<http://vergnet.com/investors>

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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