



Annual General Meeting June 10th, 2020.

Year 2019 : Turnover 11.6M€, Net result +0.15M€

The Group demonstrates a strong resilience.

Ormes, 15th June 2020

Income statement at break even, balance sheet further improved

On June 10th 2020, the Mixed General Assembly met behind closed doors due to the current sanitary restrictions, and under chairmanship of Mr Patrick Werner.

The Assembly approved the financial and consolidated accounts for the year ended on 31st December 2019, with a turnover down significantly compared to 2018, at 11.6M€. Despite this difficult context, the net income remains slightly positive at 0.15M€.

The turnover was strongly penalized by the delayed entry into force of two contracts (New-Caledonia and Antigua & Barbuda). These delays are caused by administrative procedures conducted by our clients. They however essentially lead to postponed activity from 2020 to 2021.

The consolidated balance sheet, that had already been profoundly restored at the end of 2018, is even further improved. Capital is now over 5M€ and financial debts are close to zero. The Group sailed through a rough year in 2019, without resorting to any new external financing. Furthermore, Vergnet obtained in 2019 a new credit warranty line of 1.5Me from BPI Assurance Export

Overall, the Group demonstrated its striking resilience throughout 2019. On those bases, the Banque de France raised Vergnet S.A.'s ranking to 5 in early 2020. Two of the Group's subsidiaries (Vergnet Energies and Photalia) were recently rated 5+.

In practical terms and in the aim to enable the Group to gather the financing necessary to its development, the Assembly has reconducted the right given to the Executive Board in 2019, to proceed to increases in capital in a variety of forms, for a nominal amount capped to 400 000euros.

2020 perspectives in the context of the pandemic

Before the COVID-19 crisis the Group was targeting a turnover in excess of 30Me in 2020, with a net income superior to 2.5M€. This perspective was supported by an order book of more than 30M€.

The coronavirus crisis has obviously not spared the Group : assembly plant were stopped for two months, impossibility for the sales team to travel, lockdown of our clients and prospects in their residence countries, solvency of some of our clients reduced as a consequence of the drop in the oil and raw materials prices, increased logistics and supply difficulties.

In this context, the Group has quickly and efficiently taken the necessary measures in order to limit the consequences of the crisis on its activities:

- With the exception of the production staff totally stopped, all the company's workforce remained fully active through teleworking, thus ensuring the continuity of the Group.

As the Group considered that it had the financial capacity to cover the costs of its production staff that was forced to stop working, it was decided to avoid all partial unemployment measures, in a proud and strong application of Vergnet's ethical philosophy.

Since the end of the total lockdown on May 11th 2020, production staff have progressively resumed work both in Servian as well as in Ormes workshops. Since June 2nd, all remaining staff that were still teleworking were invited to resume work at the office, in strict application of the health instructions from the French Governments.

Today the Group is fully operational.

- In order to secure its future on a financial aspect, the Group applied and obtained a French-State guaranteed loan, to sustain the activity for the maximum allowed amount of 2.2.M€. This amount was covered by two state-guaranteed loans (CIC West and BNP Paribas) for 1.5Me and a loan by BPI of 0.7Me. These contributions were completed by a postponing of the social and fiscal charges for an amount of 0.4M€.
- Unless new difficulties arise, the Group shall be able to support the consequences of the pandemic despite the serious impact on its activities. As such the Group plans on a turnover around 25M€, with a positive net income for 2020.

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After the takeover of the VERGNET Group by new shareholders and new management in 2017, the Group demonstrates for the third year in a row its true capacity to move forward under unexpected and difficult circumstances.

Vergnet has recovered its original position amongst the actors of the energy transition and local development. It is now being approached by first-rank international partners to participate in their projects.

These are the bases on which the VERGNET Group will pursue and accelerate its deployment in the years to come and nurture a key aspect of its company's statement of providing essential services to populations distant from the main interconnected infrastructures.

About Vergnet SA

The Vergnet group specialises in generating renewable energy from wind, solar and hybrid sources. On the strength of these unique technologies, the group developed the Hybrid Wizard, a hybrid system that coordinates, in real time, the percentage of renewable energies that can be sent to the electricity grid while ensuring the operational safety and security of insular or isolated networks.

The group has installed more than 900 wind turbines and 365 MW all energies combine. It is active in more than 40 countries and has 130 employees in 10 locations.

Vergnet has been listed on Euronext Growth in Paris since 12 June 2007

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