



2020 Half year results

During a first semester traditionally weak and degraded by the consequences of the pandemic, VERGNET shows half-yearly results close to those of 2019.

Ormes, October 29th, 2020

The Executive Board has met on October 29th, 2020 and approved the half-year results

En M€	1 ^{er} semestre 2020	1 ^{er} semestre 2019
Revenue	6,40	6,64
Other operating incomes	0,52	2,63
Consumed purchases	(1,95)	(2,16)
Personnel expenses	(4,47)	(4,36)
Other operating expenses	(2,08)	(3,33)
Taxe and duties	(0,19)	(0,19)
Depreciation, amortization and provision	(0,27)	(0,44)
Operating profit	(2,04)	(1,21)
Financial income	(0,09)	0,06
Ordinary pre-tax income	(2,13)	(1,15)
Extraordinary incomes	0,32	(0,02)
Income tax	(0,01)	(0,1)
Minority interests	-	-
Net income, group share	(1,82)	(1,27)

Note : the consolidated half-yearly accounts have been subjected to limited review by auditors

First half-yearly turnover: 6.40M€ (6.64M€ in 2019)

The turnover of the first half 2020 was impacted by the consequences of the COVID-19 pandemic.

These multiple consequences stopped notably the nacelle and blade production lines for a duration of two months, caused payment difficulties amongst some of our clients, in particular those impacted by the drop in the oil prices, and prevented the management board members as well as the sales teams from travelling.

Despite these heavy handicaps, VERGNET demonstrates once again its resiliency. This year's half-year turnover is in the same level of magnitude as in 2019.

During this period, the Group increased its effort in research and development on various projects, and in particular on its water treatment solution

The first semester was marked by the resumption of two contracts postponed from 2019: New-Caledonia (Prony I) and Antigua.

The Group's cash position, that is powering the turnover, had received substantial support through two State-guaranteed loans for an amount of 1.5M€, completed during the second quarter by a 0.7M€ loan from " BPI Atouts". These loans partially compensated the delayed payments incurred by the Group.

Positive signals for the future

Aside from the resumption of the contracts postponed from 2019, VERGNET registers several positive signs for the future, even if the ongoing pandemic dictates caution.

Despite the hurdles, the business activity remains buoyant, with a backlog of projects reaching approximately forty million euros. Complemented by the strong prospect of further contracts to be signed, the sales activity in the coming years appears positive.

The strategy of empowering our subsidiaries to sign local contracts brings positive results, in the Pacific region in particular, and more countries could be opened. Potential acquisitions are also currently being considered in order to strengthen the Group's geographical coverage.

The actions aiming at rebuilding a bank pool are still ongoing, in order to bring the contractual guaranties that are critical to the operations of the Group, namely those that would strengthen its cash position (downpayment bonds). Similarly, the management of litigations on some disputed receivables resulting from the receivership period remains active. The Group has thus obtained a favorable arbitration lifting 2.5M€ off its litigation burden.

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During this year complicated by the pandemic, the VERGNET Group develops its strategy as planned and prepares for the future. Since its takeover by ARUM Industries at the end of 2017, the Group boasts a remarkable resiliency. Let's expect that 2021 will finally bring to VERGNET normal operating conditions, that will allow the Group to illustrate in its financial statements the profitability it has already secured through signed contracts.

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.

Vergnet Group

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