



The Vergnet GROUP continues on its path of progress

Ormes, October 15th, 2020

Throughout a year complicated by the COVID 19 pandemic, the VERGNET Group stays on its track to success.

As such, the projects order book was further increased, now exceeding 40M€ of profitable contracts signed. Beyond, the Group's activity remains more intense than ever despite the severe travel restrictions, which bodes well for the coming years.

The deployment of smaller-sized local contracts also unfolds positively, in particular with our subsidiary VERGNET Pacific on its solar-PV activities.

After a first semester perturbed by the pandemic and its consequences, the entry into force of new EPC contracts combined with existing ones will generate a lot of activity during the weeks and months to come. In addition to the ongoing Prony 1 contract and its upcoming completion in New Caledonia, the Group has initiated the second phase of Prony 2. The Group has also resumed its engineering activities on the Antigua & Barbuda project as the sites were defined by the client.

Furthermore, the Amdjarass hybrid plant extension project should resume soon as the client is about to unlock the funds.

Finally and to mention only the larger contracts, the Agadez contract that was awarded after a tender to the consortium led with Sterling & Wilson in early 2020, was signed by the client, and VERGNET has obtained the contractual bank guarantees required for its entry into force.

About the financial solidity of the Group

Several elements contributed to confirm an improving situation at the end of 2019, marked by the reinforcement of the Group's capital to 5M€ and financial debt close to zero.

In order to sustain its cash flow situation during this complicated period, both for the Group as for its clients, VERGNET applied for and obtained loans for a total of 2.2M€ under Government support measures (1.5M€ state-Guaranteed and à 0.7M€ by BPI Atout).

The Group has contracted a credit-insurance policy to secure its creditors. The actions aiming at rebuilding a bank pool are still ongoing, in order to issue the contractual guarantees that are critical to obtain the down payments vital to the Group's activities.

Similarly, VERGNET actively pursues its actions aiming at drastically reducing its liabilities from the receivership period in 2017. The Group has thus obtained a definitive arbitration regarding the litigation with Hydro Construction, which lifts 2.5M€ off its disputed liability burden.

The remaining 1.3M€ are subject to legal proceeding with French courts.

As a consequence of the improvement of Group's financial situation, Banque de France has raised VERGNET SA rating to level 5 , and two of its subsidiaries to level 5+.

The VERGNET Group gearing up for the future

Beyond this news, the VERGNET Group is preparing for the future. Its Research and Development activity intensifies around finalizing the design of a lightweight water purification device able to operate in the warmest weather conditions, the optimizing of its existing wind turbine range, with increased capacity and improved operation performance.

Finally, the Group recently signed a worldwide collaboration agreement with MASCARA, a French company leading the deployment of water desalination systems powered by solar energy. Its first applications involves the distribution of the equipment in New Caledonia.

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As was the case in 2018 and 2019, VERGNET once again demonstrates its strong resiliency. Beyond, the Group aims at the future in order to further build on its expertise to provide electricity to populations that are often far from it. This is how we do contribute to local development.

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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
Chief Executive Officer
Patrick Werner
Tél : 02 38 52 59 98
p.werner@vergnet.fr

Actifin
Analyst and Investor Relations
Ghislaine Gasparetto
Tél : 01 56 88 11 11
ggasparetto@actifin.fr