



VERGNET gears up to finance its growth, and opens a credit line up to 7 million euros with Park Capital.

Ormes, 25th February 2021

Situation du Groupe VERGNET

After a complicated and straining year in 2020, that was mainly caused by the COVID-19 pandemic, the VERGNET Group keeps on preparing its future, by reinforcing its balance sheet in order to finance its growth.

During the year 2020, the Group indeed suffered a heavy stress on its cash situation due to delayed client payments, that were ultimately settled during the last quarter. The situation was also caused by a continued lack of support from the French banking sector, that limited the capacity for the Group to issue the necessary securities associated to the down payments, that were needed to finance its orders. In this context, the raising of corporate equity appeared as an absolute necessity, in order to enable the Group to develop its turnover and thus improve its profitability.

The Group has indeed the following assets to achieve this goal :

- A strong project backlog of signed orders by more than 50M€
- A quick growth of its subsidiary VERGNET Pacific, both on large-scale projects as well as on proximity contracts
- An expansion of its geographical presence (ongoing creation of subsidiaries in Brazil and Wallis & Futuna, returning activity in Reunion Island and Mayotte)
- Strategic partnerships in new geographical areas and various industry sectors (water);
- A strong upturn of the Research and Development activity, marked by a first success with the release of ECHLO 2 (water treatment and purification), the launch of studies for a new cyclone-proof wind turbine with improved performance, the improvement of various existing proprietary technologies etc...
- The completion of the first external growth operation with the acquisition in January 2021 of SOTAFRIC, a specialist in installation and maintenance of air conditioners in Chad
- A recurring O&M activity of more than 4M€ annually with a diversified client base, that ensures a long-term presence of the Group in various countries.

It shall finally be noted that the Group demonstrated a remarkable capability in managing the COVID-19 pandemic : home-office was applied to the all the teams since March 2020, with the obvious exception of our workshops in Ormes and Servian, strict enforcement of the sanitary measures etc...

This optimum management enabled to mitigate the consequences of the pandemic within the Group.

These consequences remain however significant: closing of our workshops during the first lockdown, delayed payments from customers impacted by the oil prices drop, impossibility to travel and disorganizing of some of our supply and logistics chain, cost increases on logistics in particular.

With a reinforced balance sheet and additional cash, the Group is thus equipped to leverage on its strengths, which are numerous. Under the current travel restrictions and necessity to tightly manage costs, the Group now has a key asset throughout an expanding network of subsidiaries that are becoming gradually empowered /Growing in autonomy.

Setting up of an Equity line up to 7 Million euros with Park Capital

Mise en place d'une ligne de financement d'au maximum 7 millions d'euros avec Park Capital

The VERGNET Group has opened an equity line for a maximum of 7 million euros, aiming at providing the necessary financial resources to consolidate its capital and support its development strategy.

On February 25th, 2021 the Group has signed a new equity financing contract, in the form of bonds convertible into company shares, entirely reserved to Park Capital, an investment company specializing in structuring flexible financing linked to capital.

This financing provides a high flexibility and availability of the funds to the Company, as the Company is not committed to any drawing obligations on these bonds.

The Board of Directors has, on this date, already approved the drawing of a first *tranche* of one million euros (1,000,000 €).

The proceed of this financing is to be allocated to:

- Optimally executing the signed contracts
- Financing the Research and Development effort
- Extending the growth and empowerment of Vergnet's network of branches and subsidiaries
- Financing potential additional external growth operations

The main characteristics of this new financing are annexed to the present Press release
Les principales caractéristiques de ce nouveau financement figurent en Annexe du présent communiqué de presse.

Park Partners GP, represented by its General Manager, Simon Le Reste, declares : « Aside from its numerous assets, the VERGNET Group benefits from a high-level quality management exemplified by its CEO, Mr Patrick WERNER. We are thus delighted to provide a financing solution to the VERGNET Group, in full confidence of its capacity to accelerate its commercial development, and to generate additional turnover in the short run, supported by our financing.»

Patrick Werner, PDG du Groupe VERGNET, considers that « the reinforcement of the balance sheet will make the VERGNET Group more nimble in managing its growth, along the numerous lines that are now open, thanks to the quality of its teams and its wide footprint around the world.

The flexibility of the financing solution permitted by the reactivity of the Park Partners teams were decisive in the choice made by VERGNET.»

À propos de Vergnet SA

Le Groupe Vergnet est le spécialiste de la production d'énergies renouvelables : éolien, solaire, hybride. Fort de technologies uniques, le Groupe a développé l'Hybrid Wizard, un système hybride pilotant en temps réel la part d'énergies renouvelables injectée sur le réseau électrique en garantissant sûreté et sécurité de fonctionnement pour les réseaux insulaires ou isolés.

Le Groupe a installé plus de 900 éoliennes et 365 MW toutes énergies confondues. Il est présent dans plus de 40 pays et regroupe 130 collaborateurs en 10 implantations.

Vergnet est coté sur Euronext Growth depuis le 12 juin 2007.

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