Press Release

VERGNET GROUPE

2017 Annual Results and Outlook

Ormes, 18 April 2018

The Supervisory Board meeting on 13 April 2018 approved the 2017 full-year financial statements.

In € million	2017	2016
Revenue	19.2	22.8
Other operating income	2.9	3.6
Consumed purchases	(10)	(11.8)
Payroll expenses	(8.7)	(9.6)
Other operating expenses	(5)	(5.5)
Taxes and duties	(0.3)	(0.7)
Depreciation, amortisation and provisions	(1.9)	(2.2)
Operating income	**(3.8)**	**(3.4)**
Financial income (loss)	(0.2)	(0.9)
Ordinary pre-tax income (loss)	**(4)**	**(4.3)**
Extraordinary income	-	-
Income tax	(0.6)	(0.6)
Minority interests	-	
Net income, group share	**(4.6)**	**(4.9)**

N.B. The consolidated financial statements are currently being audited.

An exercise marked by financial difficulties

The Group's financial difficulties persisted in 2017, with a failed conciliation period and an unsuccessful search for financial partners. On 29 August 2017, VERGNET SA declared itself insolvent, and on 30 August, the Commercial Court of Orléans placed it in receivership.

Clearly, this situation dragged down performance for the period, with revenue at €19.2 million from €22.8 million in 2016. Business was mainly supported by performance of contracts from Kiffa in Mauritania and Amdjarass in Chad, as well as maintenance on the Ashegoda site in Ethiopia.

Against this backdrop, the cost structure was adjusted, with payroll expenses reduced. As a result, operating income was negative at (€3.8 million) and net income, group share was (€4.6 million), compared to (€4.9 million) in 2016.

At 31 December 2017, Vergnet SA's equity was negative, at -€9.4 million, financial debt included €5.5 million in convertible bonds, and borrowing and financial liabilities of €5.5 million. At 31 December 2017, the group had active net cash flow of €2.5 million, €1.5 million of which was contributed by buyers to finance the observation period.

Encouraging prospects

For the years to come, the group has managed to maintain a significant portfolio of prospects, despite its financial difficulties.

Since the continuity plan was approved by the Commercial Court of Orléans on 6 March, the Company has continued its recovery actions. In addition to establishing a new Management Board with Patrick Werner (Chairman), François Gourd, and Marc Rivard on 21 December, the company has signed the Antigua & Barbuda master contract, the first tranche of which will be fulfilled in 2018 for €11.7 million.

Pursuant to the commitments made in the Court-ordered receivership plan, a Combined General Meeting has been called for 9 May 2018, to integrate into the capital the debt claims purchased by ARUM International from BPI, debt claims held by creditors who have opted for capitalisation, and the financial support provided by Krief Group to sustain the company's cash flow.

Vergnet SA’s goal remains to begin trading its shares again as quickly as possible, which is a prerequisite to restructuring its balance sheet. This relisting could happen by the end of May 2018.

Next event

9 May 2018: Combined Annual General Meeting

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 realized more than 45 MWp of solar projects. It is active in more than 40 countries and has 110 employees in 10 locations.
Vergnet has been listed on Euronext Growth in Paris since 12 June 2007.

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