

2019 Results

- Results marked by a stalled oil market and high investments in TrussFloat™
- Decrease in total revenue mitigated by Factorig's ability to maintain resilient business
- Strengthening the financial structure in the first months of 2020
- Accelerating the shift of business model to New Energies with growing international recognition of DOLFINES' successes

DIETSWELL, an independent specialist in engineering and services in the renewable and conventional energy industry, today announces its audited results for the year ended December 31, 2019.

Key data

(Millions of euros, French standards)	Year 2019	Year 2018	Change %
Turnover	6.0	7.1	-15%
<i>Of which Oil and Gas activities</i>	5.9	7.1	
<i>Of Which New Energies activities</i>	0.1	-	
Gross margin	0.41	1.19	
<i>Of which Oil and Gas activities</i>	0.50	1.45	
<i>Of which New Energies activities</i>	(0.09)	(0.26)	
EBITDA	(1.14)	0.02	
Net income before exceptional items	(1.53)	(0.25)	
Exceptional items	(1.13) ¹	0.03	
Net income	(2.66)	(0.28)	
Cash / (debt) net	(1.06)	(0.44)	
Equity ²	3.1	4.8	
Equity per share (€/share)	€0,48	€0,75	

¹ Of which 1.1 million euros of exceptional impairment of the drilling rig Sedlar 160, reducing its net book value to zero

² Including conditional advances

Commenting on these results, Jean-Claude Bourdon, President and Founder of DIETSWELL, said: "In an oil environment that has been stalled by the postponements of development campaigns by many oil operators, DIETSWELL has managed to limit the decline in turnover to 15%, thanks in particular to the contribution of FACTORIG's Audit and Inspection activities.

However, the worsening of the imbalances in the oil market in 2020 has led us to reduce the residual book value of the Sedlar 160 drilling rig to zero, thus exceptionally degrading our 2019 accounts by an additional 1.1 million euros.

This highly and sustainably deteriorated situation in the oil market, which is impacting all players in the sector, strengthens us in our strategy to accelerate the transformation of DIETSWELL's business model towards renewable energies, capitalizing on the continued success of our renewable energies subsidiary DOLFINES. The DIETSWELL General Meeting of Shareholders to be held on 8th of September 2020 will thus permanently dedicate the energy transition in its economic model by changing its name from DIETSWELL SA to DOLFINES SA.»

Oil and Gas activities

- **Oil and Gas Market**

Despite the recovery in oil prices that began at the end of 2018, the following sharp price changes have adversely weighed on the investment decisions of oil operators.

In the second half of 2019, Brent prices were around \$60/bl, before briefly rising to \$70/bl at the end of the year and then beginning a plunge towards \$20/bl in the first four months of 2020 with the marked dissension among major oil producers aggravated by the fall in demand due to the Covid-19 crisis - even reaching a negative instant price in April.

The rebound in Brent to \$35/bl at the end of May 2020 does not change the general perception of the market, marked by a surplus of supply, a lack of demand and the closure of borders that penalizes the progress of developments on work sites launched before the health crisis. The result is an obvious and massive delay in investment in the upstream chain.

- **Additional depreciation of the Sedlar 160 drilling rig by 1.1 million euros**

In this context, DIETSWELL has decided, in agreement with its Auditors, to increase additional provisions by 1.1 million euros to reduce the residual value of the Sedlar 160 drilling rig to zero at the end of December 2019. This device is stored in a closed enclosure, itself located inside the closed and guarded port area of the port of Almeria, Spain. It remains operational under a possible drilling or work over contract, after reactivation and inspection work.

As of December 31, 2019, the remaining net book value of the two Sedlar 160 and Sedlar 250 drilling rigs is zero. All options remain open for their valuation on the market.

- **DIETSWELL Oil and Gas activities driven by FACTORIG**

FACTORIG's Audit and Inspection business generated sales of 3.1 million euros (vs. 4.2 million euros in 2018), more than half of the total turnover. Several significant inspection contracts for onshore and offshore devices have been concluded and are still ongoing, including in Algeria, Brazil, Iraq and the United Arab Emirates. Although work is suspended due to the current border closures, DIETSWELL is working to find solutions to continue its activity. Thus, a remote service has been performed for a rig audit in China.

FACTORIG's business is sustainable due to the need for oil operators to work with devices whose certification is validated. As a result, requests for this type of advice and services to both analyze and improve equipment performance and operational safety are increasing significantly.

It is recalled that it will be proposed at the General Meeting of Shareholders of DIETSWELL on September 8th to transform FACTORIG into a 100% subsidiary of DIETSWELL. This will help to more clearly identify the value of its activities. It will also enable FACTORIG to enhance the visibility of its audit and inspection expertise.

Technical Assistance's business recorded a turnover of 2.1 million euros (vs. 2.7 million euros in 2018), taking advantage of a set of training programs in the field of drilling wells and equipment in collaboration with the specialized company AEGIDE INTERNATIONAL.

Contracting business's turnover was 0.6 million euros (vs. 0 million euros in 2018). It benefited from an engineering performance from the Design Office as well as follow-up work on behalf of ENAGAS on the drilling rig of the *Gaviota* platform in Spain.

New Energies activities

As of 1st of January 2019, DIETSWELL has activated DOLFINES SAS, a wholly owned subsidiary dedicated to renewable energies, whose development revolves around its semi-submersible TrussFloat™ platform, perfectly suited for floating wind applications such as grid power generation, offshore oil and gas platform electrification, direct water injection into mature fields, Carbon Capture, Utilisation and Storage (CCUS) and offshore production of green hydrogen.

Throughout 2019 and in an accelerated way into the first months of 2020, DOLFINES has successfully pursued its development, as evidenced by the following technological and commercial developments:

- In January 2019, first engineering contract generating a turnover of 0.1 million euros with a major oil and gas player for the preliminary design of three floating units for autonomous off-grid electricity generation to power oil and gas platforms with complementary renewable energy (wind and sun);
- In July 2019, ADEME's full validation of the final stage of the EOLFLOAT Project, after three years of design and development of the TrussFloat™ floating wind platform, underlines the relevance of the chosen technological development. It allows DOLFINES to be positioned on the floating wind market with a product that can be industrialized directly, with highly competitive technical and economic characteristics;
- In September 2019, Andreas Emmert joins DOLFINES as Senior Commercial Manager, bringing to DOLFINES his vast experience in international business development to expand the partnerships and customer opportunities for TrussFloat™;
- In March 2020, DOLFINES SAS signed a Memorandum of Understanding with the large Chinese shipbuilding company CIMC RAFFLES to boost their floating wind activities in Europe and Asia. CIMC RAFFLES has all the EPC skills and construction infrastructure needed for an industrialized mass production of floating wind turbines;
- In April 2020, DOLFINES was declared the laureate of the Marine Energy Alliance (MEA) to further develop its concept of offshore green hydrogen production powered by floating wind, based on its proprietary TrussFloat™ floating wind platform technology. In addition to accelerating the technical and commercial development of floating wind applications, allowing Oil and Gas majors to ensure profitable offshore production in windy regions and in a carbon-neutral future by giving their production infrastructure a second life, this recognition allows DOLFINES to develop its network of partnerships within the green hydrogen community.

Elements of profitability and financial structure

Gross Margin stood at 0.41 million euros (1.19 million euros in 2018). The decline in the contribution of the Oil and Gas business was only partially offset by the near-equilibrium of the New Energies business.

EBITDA was (1.14) million euros, compared to 0.02 million euros in 2018. Net income amounted to (2.66) million euros. It is impacted to the tune of 1.1 million euros by additional provisions on the residual value of the Sedlar 160 drilling rig.

As of December 31, 2019, net financial debt stood at 1.06 million euros and cash at 0.3 million euros.

At the end of 2019, equity amounted to 3.1 million euros, or 48 cents per share on the basis of 6,418,593 shares, of which 1.7 million euros were conditional advances.

In the first months of 2020, the conversion of 50 of the 300 OCABSA issued in January 2020 resulted in the creation of 61,327 shares. In addition, the Board of Directors meeting on 6 May 2020 having decided to prepay all convertible bonds issued in 2018 and 2019 remaining outstanding, 932,854 new shares were issued for this purpose, bringing DIETSWELL's share capital to 7,412,774 euros, consisting of as many shares of 1 euro of nominal value each.

Also benefiting from obtaining the PGE (loan on favorable terms from French Government in the context of health crisis) and the accelerated settlement of customer invoices over the last few months, the cash to date has been increased to 0.9 million euros and the net financial debt reduced to 0.2 million euros.

About DIETSWELL: www.dietswell.com

Founded in 2000, DIETSWELL is an independent specialist in engineering and services in the renewable (through DOLFINES SAS) and conventional industry. Thanks to teams of experts and a flexible and responsive structure, DIETSWELL proposes a multidisciplinary offer in the fields of drilling and energies in the broad sense. With its highly experienced teams, DIETSWELL also performs high level audits and studies for the design of drilling equipment and offshore structures, including for the wind industry. In compliance with the highest standards of quality and safety, DIETSWELL is certified as an innovative company and certified API Q2, ISO 9001, ISO / TS 29001 and ISO 14001 for its technical assistance, audit, inspection and engineering.

In a press release dated March 11, 2020, DIETSWELL announced its intention to propose to the General meeting of shareholders to be held on 8 September 2020 to change its name from DIETSWELL SA to DOLFINES SA, the current name of its subsidiary in New Energies, in order to definitively affirm the energetic transition in its business model.



**DIETSWELL is listed on Euronext Growth– FR0010377127 – ALDIE
DIETSWELL is eligible to PEA-PME**

DIETSWELL

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