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MESSAGE FROM THE CEO

GOOD RESILIENCE IN AN EXTRAORDINARY YEAR



“ Mersen’s resilient performance in 2020 also confirms our strategic decision to position ourselves in strong sustainable development markets.

Luc Themelin,
Chief Executive Officer

We are very proud of the results that Mersen has achieved in such an unprecedented year. They reflect our agility and our ability to adapt. A special word of thanks to our teams around the world, whose unwavering dedication made that possible.

Mersen’s resilient performance in 2020 also underscores our strategic decision to position ourselves in strong sustainable development markets, and we will be further stepping up our investments in these markets - which include renewable energy, electronics and green transportation - as they continue to be driven by solid underlying trends.

As we embark on 2021, the economic environment is still uncertain in some regions, but we view the coming year with confidence and expect 2% to 6% growth in organic sales in the full year and an operating margin before non-recurring items of between 8% and 8.8%.

I would also like to thank our shareholders for the confidence they have placed in us, and to say that we intend to reward their loyalty. To this end, the Board of Directors has decided to propose to the Annual General Meeting that the Group resume dividend payments, with €0.65 per share for 2020. •

+2020 KEY FIGURES

€847
million
in sales

8.1%
operating margin before
non-recurring items

€0.65
per share dividend

NEWS

Find out more: for all the latest news, visit www.mersen.com

SHARE OWNERSHIP

ARDIAN EXITS THE SHARE CAPITAL OF MERSEN

In February 2021, Ardian announced that it had sold its entire stake held via ACF Investment, through the sale of shares on the market. Ardian had been a shareholder since 2008. Its two representatives on the Board resigned in January 2020, due to the gradual decline of the stake held in the Group.

CORPORATE

FILM: THE FIRST 130 YEARS

In 2020, the Group published a book entitled Mersen Energy to Innovate, revisiting its 130-year history

▶ Now you can relive the story in four episodes on Mersen’s YouTube channel:
www.youtube.com/user/MersenGroup



How to contact us

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MersenGroup

OUTLOOK FOR SOLAR REMAINS BRIGHT

In 2020, the global solar market enjoyed ongoing growth. Competitive pricing of this power, coupled with government determination to reduce CO₂ emissions, underpinned growth.

There is no end in sight for this positive trend, in view of China's ambitious plan to install 80 GW per annum. In a few years, China should account for almost half of global solar production capacities.

Mersen is ideally placed to tap into this market potential.

SOLAR MARKET KEY FIGURES

Expected growth:

15%
per year on average

Global installed capacities:

760GW

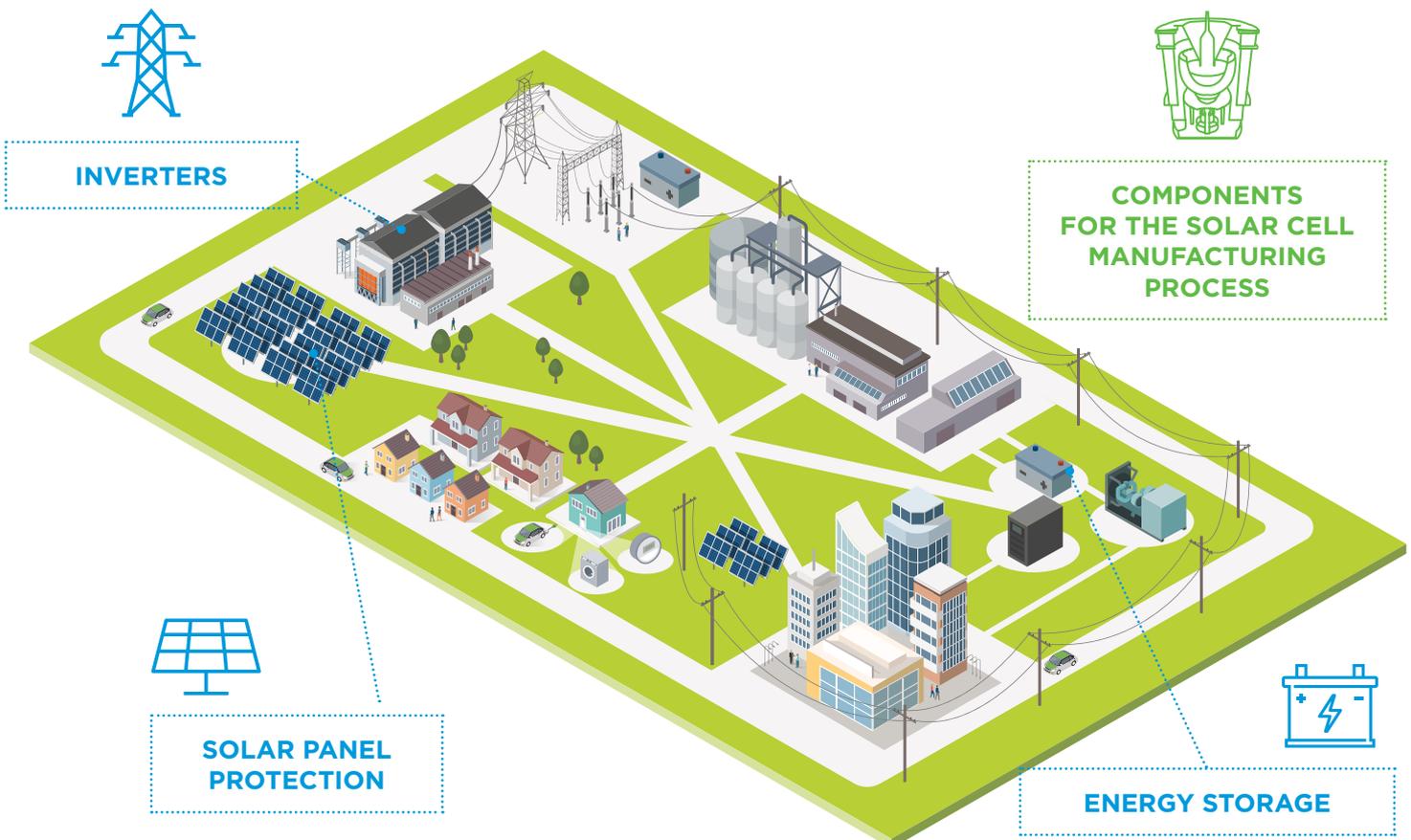
Mersen: an emphatically premium offer

Mersen's expertise is focused on high-quality solutions, with a comprehensive and well-balanced offering in the isostatic graphite, insulation felt and carbon/carbon composites used to manufacture the monocrystalline silicon ingots required to produce solar cells.

The Group also supplies special fuses for electrical protection of solar panels. Lastly, Mersen's offering includes power storage and conversion with passive components (fuses, busbars, cooling devices and capacitors) designed to pipe solar energy to the power grid.

Mersen in the solar market:

€60
million
sales in 2020



MERSEN COMMITTED TO A SUSTAINABLE FUTURE

IN SOLAR POWER

One of Mersen's largest facilities in France, at Saint-Bonnet-de-Mure near Lyon, uses solar power to supply its own energy requirements.

Two solar power facilities on its own land will produce 866 MWh each year, equivalent to the consumption of 335 households (heating excluded) and to 22% of the plant's power requirements.

In addition, a station for recharging up to eight electric vehicles at a time will be available to employees.



Credit Legendre Énergie



Solar power plant at Saint-Bonnet-de-Mur, France

TAKING CONCRETE ACTION TO COMBAT GLOBAL WARMING

In February 2021, the Group announced an ambitious target in the fight against global warming. Mersen will reduce the intensity of its greenhouse gas emissions by 20% by 2025 compared to 2018.

A recognized leader in solutions to foster growth in green industries, the Group is therefore stepping up its role in the protection of the environment and its resources.

PARTNERING WITH THE POLAR POD TO STUDY CLIMATE AND BIODIVERSITY



Credit 7^{ème} continent

The Polar Pod will make two world tours around the Antarctic, driven by the circumpolar current.

At a press conference on March 16, 2021, the explorer Jean-Louis Etienne and his scientific crew officially announced the launch of the Polar Pod expedition.

Coordinated by the French National Center for Scientific Research (CNRS) in partnership with the French National Space Agency (CNES) and the French Research Institute for Exploitation of the Sea (IFREMER), the scientific program – which will be undertaken over a period of nearly five years – will provide new insight into the impact

that our oceans have on the Earth's climate and the actions that we need to take to act against global warming. The expedition will also provide valuable information on polar fauna.

The project also includes an educational program that will bring the expedition and its discoveries to life, providing future generations with a richer learning experience.

In partnering with the expedition, Mersen is proud to contribute its energy management and power electronics expertise to ensure the Polar Pod platform's optimal autonomous performance.



Credit 7^{ème} continent

The expedition will provide valuable information on polar fauna and the ability of the Antarctic Ocean to absorb carbon dioxide.

GOOD PERFORMANCE IN AN UNPRECEDENTED YEAR IN 2020

Mersen reported consolidated sales of €847 million in 2020, down 11.4% on an organic basis on 2019. Overall, the main sustainable development markets (renewable energies, electronics and green transportation) were stable year on year, while other markets fell by 19%.

Mersen was, of course, impacted by the health crisis, but as its operations were classified as essential by the authorities in most of the countries where lockdowns were imposed, most of its sites were able to stay open, with at least 85% of them operational in April and May 2020 when the first wave of the pandemic peaked.

Despite sales declining year on year, **the Group held up well in terms of both EBITDA and operating income before non-recurring items**, thanks to reduced operating costs and excellent cost flexibility. This flexibility was helped by the Group's use of short-time working and furlough programs at certain sites, and, to a lesser extent, by subsidies (principally in China). However, the Group did not apply for any government-backed loans.

EBITDA stood at €122.9 million, representing 14.5% of sales compared to 16.3% in 2019.

Operating income before non-recurring items came to €68.6 million in 2020, or 8.1% of sales, down 270 basis points on the 2019 figure, chiefly due to lower business volumes.

Mersen Group ended 2020 with a net loss of €12 million, versus net income of €57.3 million in 2019, due to significant non-recurring expenses arising from the impacts of the health crisis.

Net cash generated by operating activities came to almost €133 million in 2020, up 8% on the €123 million figure for 2019, reflecting effective working capital management.

The Group made further investments in buoyant markets, albeit less than budgeted at the beginning of the year. Overall, capital expenditure totaled €57 million for the year.

Mersen has a solid financial structure with undrawn credit lines and cash resources that will enable the Group to cover its debt repayments over the coming years as well as finance our ambitious investment program.

Based on the year-in-year decline in net debt to €180 million, the Group ended the year with solid financial ratios: net debt to EBITDA of 1.65 and gearing of 33%. •



With our very solid balance sheet and cash flow generation, we are able to finance our investments on growth markets.

Thomas Baumgartner,
Group Vice President,
Finance and Administration

+2020
KEY FIGURES

€133 million
in operating cash flow

€57 million
in capital expenditure

Net debt/EBITDA ratio of
1.65

Dividend

At the Annual General Meeting to be held on May 20, 2021, the Board of Directors will recommend the payment of a €0.65 per share cash dividend, thereby resuming its dividend distribution policy.
The dividend payment date will be July 8, 2021.





2021 ANNUAL GENERAL MEETING

The Annual General Meeting will be held on **Thursday, May 20, 2021** at 10 a.m., behind closed doors, and will be broadcast live on Mersen's website.

The Annual General Meeting is an opportunity to review developments in Mersen's business activity and its outlook.

As a shareholder, you are invited to vote on the draft resolutions proposed by the Board of Directors.

In view of the ongoing health crisis, the procedures for holding and participating in the Meeting may be subject to change.

To stay informed of all the latest information regarding the Annual General Meeting, visit <https://www.mersen.com/investors/general-meeting-2021>

HOW TO VOTE?

Prioritize voting online: between **9 a.m. on April 30, 2021** and **3 p.m. on May 19, 2021**, Paris time, via VOTACCESS, the secure online voting platform.

Registered shareholders

Log on to:
www.sharinbox.societegenerale.com
and follow the on-screen instructions.
You will automatically be redirected to the VOTACCESS online platform.

Holders of bearer shares

Connect to the web portal of your financial intermediary to access the VOTACCESS platform, and follow the on-screen instructions.

From the VOTACCESS site, you can:

- Vote directly on resolutions.
- Give proxy to the Chairman of the Meeting or to a third-party, or revoke any proxies.

- By postal mail **using the voting form.**
The voting form must reach Société Générale by May 17, 2021, at the latest.

Registered shareholders

You will receive the voting form by post, unless you have otherwise opted to receive it electronically.
Return the completed, dated and signed form to Société Générale.

Holders of bearer shares

Send the completed voting form to your custodian who will send it to Société Générale.
The voting form can be obtained from your custodian or be downloaded from Mersen's website.



IF YOU HAVE ANY QUESTIONS

Send any questions for the Chairman of the Board of Directors to the following dedicated email address **by May 18, 2021:**

ag-mersen-2021@mersen.com.

Questions must be accompanied by a share registration certificate. Answers will be given during the Meeting.

You can also send questions by registered letter with proof of receipt to the Group's registered office.

YOUR NEW REGISTERED SHAREHOLDER SERVICE

Since March 10, 2021, the management of registered shares has been entrusted to **Société Générale**, your new contact for the management of your shares.

New service, new platform

The **Sharinbox** platform is now used to access your Mersen securities portfolio and is also your point of contact for **communicating with Société Générale**.



To access Sharinbox, go to <https://sharinbox.societegenerale.com/>

First-time connection:
Enter your 8-figure access code, the default password and security code sent to you by post.



Postal address

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32 rue du champ de tir - CS 30812
44308 Nantes CEDEX 3
FRANCE



SHAREHOLDER QUESTIONS

HOW DO I REGISTER MY SHARES?

Contact your financial intermediary and request to convert your shares to registered form with Société Générale Securities Services (O42) using the form available on the Group's website (Investors/Individual Shareholders).

An account will be automatically created in our share register upon receipt of the registered remittance slip issued by your financial intermediary.