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PRESS RELEASE

Further to exceptional losses on EPC contracts, CNIM finalizes its financial restructuring with a conciliation protocol validated by the Paris Commercial Court on June 23, 2020.

## The origins of CNIM's difficulties

Since its creation in 1856, CNIM has been carrying out industrial projects for the environment, energy, defense and industry market sectors.

Commitment to deliver projects over several years within agreed deadlines involves risks that CNIM's teams have always managed to control.

In 2019, a series of bankruptcies of Civil Engineering subcontractors working on "Waste-to-Energy" plant projects in the United Kingdom generated exceptional costs for CNIM: emergency replacement of failing businesses, delay penalties due to delays caused by these disruptions, ...

This occurs at a time when the order book is well-filled, particularly with an ambitious project in the Emirates, requiring the financial resources specific to any development in a new region, and an active market in terms of new projects.

CNIM decided to face up to and honor all its contractual commitments and turned to its financial partners to absorb a shock on a scale the company had never experienced before.

## Support to CNIM: the financial restructuring agreement of 29 April 2020

CNIM, which is recognized by its customers for its technological expertise and by its financial partners for its presence in promising markets, has succeeded within six months, and despite the uncertainties of an unprecedented health crisis, in signing a restructuring agreement up to its challenges.

- CNIM benefits from a confirmed line of bank guarantees amounting to 222.5 million euros, enabling it to develop its activities and to benefit from advance payments from its clients on current contracts.
- Its financial partners, banks and credit insurers provide additional financing of €35 million.
- Its industrial partner, Martin GmbH, subscribes to 5-year bonds for €45m.
- Finally, the State is participating in the financial restructuring effort:
  - o by financing €30m via a direct loan and a moratorium on the payment of the Group's social security and tax charges,
  - o by providing a 50% counter-guarantee on 2/3 of the guarantees issued by the banks.

In addition to this support, CNIM sells its Paris headquarters. It is therefore a total contribution of around €200m that will enable CNIM to overcome the 2019 setbacks and to focus on the continued development of the company.

## Protected assets and challenges met in a process of renewal

Thanks to the quality of its order book, the financial means to maintain its liquidity, and after going through the COVID crisis while maintaining the majority of its activities servicing its customers thanks to the professionalism of its employees, CNIM is now engaged in a process of renewal and modernization, in order to be able to better respond to its markets' challenges with more agility and by bringing changes to its management and organization.

The appointment of Louis-Roch Burgard as Group Chief Executive Officer on May 26, 2020, marks the first step in the achievement of these new orientations.

The simplification of CNIM's governance structure will be a second step. The Company thus plans to change its mode of governance by setting up a Board of Directors to replace the current dual structure (Supervisory Board and Management Board). This project, which will be submitted to the vote of the General Meeting of Shareholders called to approve the financial statements for the year ended, has already been approved by the Group's Comité Social et Economique (CSE) on 19 June.

Louis-Roch Burgard, with this new mode of governance, will be able to create conditions for efficiency both internally and externally, and CNIM will give priority to :

- honour its customer commitments with a vision of strengthened partnership,
- renew trustworthy relationships with its suppliers,
- forge alliances with leading players so as to keep developing its unique expertise.

[About CNIM](#) - CNIM Group develops, designs and builds turnkey industrial systems with high technological content and offers expertise, services and operations to the environment, energy, defense and industry market sectors. [Contact - info-communication@cnim.com](mailto:info-communication@cnim.com) [Financial agenda available on www.cnim.com](http://www.cnim.com)