

Regulated information – Paris, 25 June 2020

### 2019 consolidated financial statements

The Supervisory Board of CNIM met on 25 June 2020 to examine the consolidated financial statements for the year ended 31 December 2019 as approved by the Management Board.

The Group's financial statements were approved following ratification by the Paris Commercial Court of the conciliation protocol signed on 29 April 2020, the main terms of which were set out in a press release issued by the Group on that date. The judgement approving the protocol was given on 23 June, all of the conditions precedent to implementation of the protocol having been fulfilled.

Together with the €88.8 million of additional financing, the sale of the Group's head office in April and the provision of a new confirmed line of bonds for a maximum amount of €222.5 million, this protocol provides the Group with the necessary resources to finance its business.

#### Key figures:

**Order intake:**  
€1,034.8 million

**Revenues:**  
€588.4 million

**Recurring operating loss:**  
€150.9 million

**Net income (loss):**  
€(200.7) million

#### Order intake

(in € millions)	2019		2018	
	Order intake	Backlog at 31.12.2019	Order intake	Backlog at 31.12.2018
Environment & Energy	792.2	1,113.2	509.2	712.8
Innovation & Systems	242.6	314.7	227.1	268.8
<b>Group total</b>	<b>1,034.8</b>	<b>1,428.0</b>	<b>736.3</b>	<b>981.5</b>

The Group's order intake was 40.5% higher than in 2018:

- +55.6% for the Environment & Energy Sector, which in 2019 recorded orders for waste-to-energy plants in Lostock (UK), Belgrade (Serbia) and Rambervillers (France);
- +6.8% for the Innovation and Systems Sector.

## Recurring operating income (loss) – “ROI” / EBITDA

(in € millions)	2019			2018		
	Revenues	EBITDA	ROI	Revenues	EBITDA	ROI
Environment & Energy	391.7	(149.7)	(158.2)	493.3	(8.4)	(14.9)
Innovation & Systems	196.7	19.4	7.3	196.5	22.9	10.7
<b>Group total</b>	<b>588.4</b>	<b>(130.3)</b>	<b>(150.9)</b>	<b>689.8</b>	<b>14.5</b>	<b>(4.3)</b>

Revenues for 2019 totalled €588.4 million, including €391.7 million for the Environment & Energy business and €196.7 million for the Innovation & Systems business.

The Environment & Energy sector generated recurring operating losses of €158.2 million during the year, due mainly to the difficulties experienced in the execution of several construction contracts in the E&E EPC Business Division.

These difficulties related to the “Civil Engineering” scope of work of waste-to-energy plant contracts: four in the UK and one in the Middle East.

In the UK, they related mainly to the failure of Clugston, CNIM Group's civil engineering partner for several UK waste-to-energy plant contracts, which announced it had gone into administration on 6 December 2019. As the Group was obliged to assume responsibility for the completion of all of the Clugston scope projects to honour its contractual commitments, it mobilised additional resources and negotiated or renegotiated several dozens of purchase or subcontracting contracts under unfavourable emergency terms. This takeover is now under control but generated significant additional costs focusing on purchases and penalties for late delivery related provisions.

In the Middle East, the Group suffered significant additional costs on the civil engineering scope of the Sharjah contract. The Sharjah plant will be the first waste-to-energy facility in the United Arab Emirates and represents a key business reference for the Group.

The Group has consequently strongly reinforced its supply chain management strategy in particular with regard to civil engineering, for the whole of its Environment & Energy-EPC activity.

## Other operating income (expense)

The Group generated net non-recurring expense of €30.8 million, due mainly to asset impairments totalling €24.2 million, which related primarily to plants in the US dedicated to the extraction of metals from incinerator ash residues.

## Net income (loss)

(in € millions)	2019	2018
Revenues	588.4	689.8
Recurring operating income (loss)	(150.9)	(4.3)
Operating income (loss)	(181.7)	2.6
Pre-tax income/(loss)	(185.6)	28.7
<b>Net income (loss) attributable to owners of the parent</b>	<b>(200.7)</b>	<b>32.8</b>

The consolidated financial statements for the year ended 31 December 2019 have been audited by our statutory auditors, who have issued their reports.

As a result of the above, the Group generated a net loss attributable to owners of the parent of €200.7 million compared with net income of €32.8 million in 2018.

## Cash position

At 31 December 2019, the Group's cash position and net debt stood at:

- Net debt: €133.2 million
- Gross cash €100.5 million

## Dividend

No dividend will be proposed at the General Meeting of Shareholders called to approve the 2019 financial statements.

## Impact of COVID-19 on the Group's activities

The COVID-19 pandemic, which spread during the first months of 2020, led numerous countries to take increasingly stringent measures to slow down the rate of infection.

The main resulting risks the Group has had to cope with are as follows:

- Employee health (risk of infection);
- Absenteeism of CNIM personnel or sub-contractors on worksites;
- Restrictions on travel for CNIM employees, hindering progress on certain contracts;
- Business disruption (plants/offices/worksites);
- Requests from customers to shut down certain worksites or cease contract work;
- Contract breaches by sub-contractors/suppliers;
- Delayed delivery of key equipment or products;
- Lower productivity due to teleworking;
- Cancellation or deferral of new orders or potential contract amendments.

Since the start of the pandemic, the Group has been closely monitoring its developments in order to take appropriate action, as a priority to protect the health of its employees, customers and all third parties working with the Group, and also to maintain its ability to continue as a going concern;

To date, the main impacts of the pandemic for the Group have been the following:

- Operations have continued at most of the Group's plants, workshops and customer worksites. However, working conditions have had to be adapted leading to slowdowns;
- The vast majority of the Group's administrative sites in France have been closed since the start of the lockdown (as of March 17, 2020) and employees have been asked to work from home whenever possible;
- The Group has already implemented some government measures to provide financial support to French and UK companies, including part-time activity and deferred payment of tax and social security contributions;

Given the major uncertainty regarding the duration, extent and location of the rapidly developing COVID-19 pandemic, the Group is unable to make a reliable assessment of the financial impact of the current health crisis. With all the restrictions imposed by the lockdown, the Group has nevertheless estimated the impact the COVID-19 pandemic might have on its future cash flows, by applying, amongst others, the following assumptions:

- Extension of contracts planning, resulting notably in increased site costs and deferrals of residual incoming payments, over a period of time corresponding to the duration of the

lockdown imposed locally (between one and two months depending on the contract/country);

- Postponement of contracts signing, for some of its activities.

In view of the above, the Group is forecasting a slightly negative EBITDA for 2020. After taking into account the state support measures (excluding the use of the guarantee scheme for bank loans in France), and although this does not constitute a forecast as such, the Group estimates that the negative impact of the COVID-19 pandemic is compatible with maintaining a positive cash position.

## About CNIM

Founded in 1856, CNIM is a French equipment manufacturer and industrial contractor operating on a worldwide basis. The Group provides its products and services to major public and private sector organizations, local authorities and national governments in Environment, Energy, Defense, and High Technology markets. Technological innovation is at the core of equipment and services designed and manufactured by the Group. They contribute to produce cleaner and more competitive energy, to limit environmental impacts of industrial activities, to secure sensitive facilities and infrastructures, and to protect individuals and nation states. CNIM is listed on the Euronext exchange in Paris. It relies on a stable family-based majority shareholding structure committed to its development. The Group employs 2,792 people and had revenues of €588.4 million in 2019, 48.2 % of which was from exports.

## Contacts

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Financial agenda available on [www.cnim.com](http://www.cnim.com)