MND Group (FR0011584549, MND) designs and builds efficient solutions for developing mountain areas and facilitating transport in tourist and urban areas. The Group is listed on the Paris Euronext regulated market, compartment C.

Sainte Hélène du Lac (Savoie, France), 11 June 2018

MND implements new financing resources in order to strengthen its financial structure and support its strategy plan until 2020, i.e. revenues of €150 million and current operating margin between 8% and 10%

- Issue of convertible bonds with a par value of €10 million, to be placed with European investors
- Introduction of a multi-year equity funding facility[1] for a maximum amount of €30 million
- Plan to allot bonus stock warrants to all shareholders, to be submitted to the 27 September 2018 General Meeting

The Group has set itself the target of achieving revenues of €150 million by March 2020, together with a current operating margin of between 8% and 10% (4.1% for the financial year ended 31 March 2017). To achieve these targets, MND already has a strong order backlog, which amounted to €184 million at 31 March 2018, including €52.4 million to be generated over the 2018/2019 financial year.

The MND Group would like to increase its shareholders' equity and assemble new financial resources as part of this approach. The company is announcing the issue of convertible bonds (CB_{2020}) with a par value of €10 million and a two-year maturity, which will be subscribed by several European investors.

At the same time, MND is also introducing a maximum €30 million equity funding facility over a maximum period of three years with Kepler Cheuvreux, subject to AMF approval of the prospectus for the issue of the new MND shares liable to be admitted to trading on Euronext Paris in this context.

This financing tool, adapted to the Group's development strategy, enables capital increases to be carried out in strict accordance with the real needs of the company, in its best interest and that of its shareholders.

In addition, in order to involve all its shareholders and thank them for their loyalty, the Board of Directors decided to submit to the vote of the combined general meeting of MND on 27 September 2018 a resolution to delegate to it the possibility of granting free share subscription warrants ($_{BONUS}$SSW) to shareholders, up to one warrant for each share held; 10 $_{BONUS}$SSW will enable the holder to subscribe to one new share at a price of €5 for one (1) year as from 1 October 2020 until 30 September 2021. Subscribers to the convertible bonds will not receive $_{BONUS}$ SSW.

[1] subject to the AMF approving the securities note for this multi-year equity funding facility

Purpose of these transactions

The funds raised by these new financings will be used by the company in order to:

- **increase coverage of its cash requirements linked to its current operations**;
- **complete the range of detachable ski lifts** (chairlifts and gondola lifts), including the development of different configurations and options;
- **finance the working capital needed to industrialize the contracts already signed for the 2019 and 2020 financial years**, while leaving itself the possibility, in the event of an acceleration in marketing over the next 12 months, of financing the additional production of traditional products and new ranges of cable transport products (gondola lifts and Cabline 2.0) and outdoor leisure ranges (Fun Coaster);
- **strengthen the distribution network** (structuring the Chinese and US subsidiaries: IT structuring, searching for new distributors, prospecting for sales, etc.), communications and marketing;
- **accompany the industrial transition to the plant of the future,** by integrating automated and robotized production equipment;
- **contribute to lowering the Group's short and medium-term debt.**

Provisional transaction schedule

08/06/2018	Decision by MND's Board of Directors: ▪ Use of the 14th Resolution voted at the AGM of 29/09/2017 (issue of transferable securities to categories of investors granting access to the share capital with waiver of preferential subscription rights) i.e. the decision to issue convertible bonds (CB_{2020}) with a total par value of €10 million; ▪ Use of the 13th Resolution voted by the AGM of 29/09/2017 (issue of transferable securities granting access to the share capital with waiver of preferential subscription rights via private placement), i.e. setting up an equity funding facility, subject to the condition precedent of the AMF approving the Prospectus for the admission of the securities to the Euronext Paris market; ▪ Submitting a resolution to the AGM of 27/09/2018, proposing to delegate the authority to the Board of Directors to allot $_{BONUS}$SSW to the shareholders
08/06/2018	Signing the agreement to issue the CB_{2020} and signing the agreement regarding the multi-year equity funding facility
11/06/2018	Press release regarding the various transactions (before start of trading) Subscription to the CB_{2020} and payment of the funds by the subscribers to the CB_{2020}
27/09/2018	Combined General Meeting delegating the authority to the Board of Directors to issue $_{BONUS}$SSW
01/10/2020	Opening of the exercise period for the $_{BONUS}$SSW
30/09/2021	Closing of the exercise period for the $_{BONUS}$SSW

Level of available cash

After deducting overdrafts from cash and cash equivalents,[2] the Group posted a negative cash balance of €10,889,000 at 30 April 2018 (unaudited figure).

[2] Cash excluding marketable securities

Xavier Gallot-Lavallée, Chairman and Chief Executive Officer of MND Group, made the following comments:

"Following the early April postponement of the capital increase, we are confirming our desire to strengthen our shareholder's equity and assemble new financial resources in order to achieve our targets for 2020 via these new means of financing. Over the past few years, we have built and structured a consistent offering, driven by strong brands that have given us a unique position on our market: MND is now the only operator to offer its customers a global offering for the development of mountain resorts, which combines snowmaking solutions, safety equipment, ski lifts and outdoor leisure activities, i.e. a total potential market of €1.7 billion,[3] which is a genuine growth area for the Group.

We now need to align our financial structure, to be able to deliver our large order book. The convertible bond issue and the multi-year equity financing line, which replace the capital increase carried forward at the beginning of April, are particularly complementary tools adapted to the short and medium-term needs of our strategic plan, enabling us to dimension our resources flexibly over time and under optimized market conditions.

However, we are not forgetting our shareholders, by involving them in the development through a free allocation of warrants that will allow them to limit the dilution resulting from these financing tools but also to reap the fruits of the Group's development."

Main characteristic features of the convertible bond issue (CB_{2020})

At its meeting on 8 June 2018, MND Group's Board of Directors decided to use the 14th Resolution voted by the 29 September 2017 General Meeting, in order to issue bonds convertible into new ordinary shares with a total par value of €10 million, subscribed by European investors.

An initial tranche, with a par value of €6.0 million, is being issued today. The second tranche, with a par value of €4.0 million, will be issued by 28 August 2018 at the latest.

The convertible bonds (CB_{2020}) were subscribed at 93% of their par value (i.e. an amount of €9.3 million excluding expenses and fees) and will not bear interest (zero-coupon). They will mature on 31 August 2020. The CB_{2020} will be redeemable in cash at their maturity date. As a result, any CB_{2020} that have not been converted or redeemed in cash at that date will be repaid at their full par value in one instalment, i.e. one (1) euro for each CB_{2020}. The actuarial rate of return for the holders of CB_{2020} will be 3.70%. The CB_{2020} issue agreement does not contain any financial covenants.

The CB_{2020} conversion price, which may be triggered at any time at the holder's discretion, will depend on the MND share price (FR0011584549 - MND) at the time of conversion[4].

If all of the CB_{2020} were converted at the fixed conversion price (€5.50), 1,818,181 new securities would be created, which would represent a potential maximum dilution of 11.43% (on the basis of the current share capital, which consists of 14,088,310 shares).

The CB_{2020} will not be admitted for trading on the regulated Euronext market in Paris.

This issue has not given rise to a Prospectus submitted to the AMF for approval.

Main terms of the multi-year equity funding facility set up with Kepler Cheuvreux

Using the authorization granted pursuant to the 13th Resolution adopted at the 29 September 2017 Combined General Meeting of Shareholders, MND Group has entered into a three-year agreement[5] with Kepler Cheuvreux as part of an underwriting agreement.

Kepler Cheuvreux, acting as financial intermediary and guarantor of the transaction, has undertaken to subscribe, over the next 36 months and subject to contractual conditions being met, a maximum amount of €30 million of new MND shares.

[3] Global mountain resort development market (excluding the urban transport market) - Source: Company

[4] Equal to the lower of (i) €5.50 and (ii) 93% of the average volume-weighted share price during the 30 trading sessions prior to the notice of conversion, in compliance with the aforementioned cap.

[5] subject to the AMF approving the securities note for this multi-year equity funding facility

MND retains the possibility to suspend or terminate this agreement at any time and therefore retains control over the pace of financial support offered by Kepler Cheuvreux. The shares will be issued on the basis of the average volume-weighted share price over the two trading days preceding each issue, less a maximum discount of 5%.

If the financing line were to be used in full[6], a shareholder holding 1% of MND's capital before it was set up would see his holding decrease to 0.66% of the share capital on a non-diluted basis, and to 0.61% of the share capital on a diluted basis.

The number of shares issued under this contract and admitted to trading will be the subject of Euronext notices, as well as regular communication on the MND website.

The implementation of this multi-year equity financing line will give rise to the drawing up of an offering memorandum subject to AMF approval, a prerequisite for any drawdowns..

These transactions were recommended and structured by Vester Finance.

Next release: publication of annual results for 2017/2018, Thursday 19 July 2018, after Paris Euronext market close.

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ABOUT MND GROUP

The MND Group has been based at Sainte Hélène du Lac (Savoie), in the very heart of the French Alps, since 2004. MND is one of the few market players to have a global range of products and services dedicated to the development, equipping and protection of ski resorts, leisure areas and other mountain infrastructure. Buoyed by its industrial expertise in the mountain cable transport market and by innovative technology protected by worldwide patents, the MND Group has strong growth potential in the urban cable public transport field, where it offers an unobtrusive alternative mode of urban transport. With 5 manufacturing plants in Europe, 8 distribution subsidiaries and 30 distributors worldwide, the MND Group has 375 employees and almost 3,000 customers in 49 countries.

Find all the information you need on www.mnd-bourse.com

[6] resulting in the issue of a maximum number of 7,173,039 new shares on the basis of 95% of the volume-weighted average share price on 6 June 2018 and 7 June 2018

Appendices

Definition of financial indicators not codified by accounting standards boards
This section presents the financial indicators used by the Group that are not codified by accounting standards boards.

Organic growth or change at constant consolidation scope and exchange rates (like-for-like or LFL)
Adjustment for currency impact consists of calculating current year totals at the previous year's exchange rate. The impact of foreign exchange instruments qualifying as hedging instruments is taken into account in the current data.
Adjustment for newly consolidated entities is calculated as follows:

- for entities consolidated during the current financial year, by deducting the contribution of the acquisition from the current year totals;
- for entities consolidated during the previous year, by deducting the contribution of the acquisition from 1 January of the current year until the last day of the month in the current year in which the company was acquired in the previous year.

Adjustment for deconsolidated entities:

- for entities deconsolidated during the current financial year, by deducting the contributions of the deconsolidated entity from the previous year totals from the first day of the month of disposal;
- for entities deconsolidated during the previous year, by deducting the contributions of the deconsolidated entity from the totals of the previous year.

Order backlog
The order backlog consists of revenues not yet recognised for orders received.
The order backlog at financial year-end is calculated as follows: order backlog brought forward + new orders received during the financial year – order cancellations recorded during the financial year – revenues recognised for the financial year.
The order backlog may vary due to changes in the consolidation scope, adjustments in contractual prices and foreign currency conversion effects.