



## PRESS RELEASE

Sainte Hélène du Lac (Savoie, France), 14 August 2019

# MND resolves its financial difficulties by bolstering equity and restructuring debt with a view to boosting growth

## MND share listing resumed

### New financial partner alongside the reference shareholder

#### Bank debt restructuring:

- €34.8 million bank debt reorganised into a senior *in fine* loan repayable at maturity in 2023
- New €15 million bridge loan

#### Planned capital increases:

- Two capital increases totalling €35 million with cancellation of the preferential subscription rights
- Free issue of stock warrants to shareholders under the same price conditions as the two capital increases

As stated in the 31 July 2019 press release, over the last few months Montagne et Neige Développement (“**MND**” or the “**Company**”) (Euronext Growth - **FR0011584549 - ALMND**) and its advisers have been working to restructure and extend MND Group debt and to increase its equity so that its financial resources meet its needs, thereby resolving the financial difficulties announced on 31 July 2019<sup>1</sup>.

The Company hereby announces the key features of its planned financial restructuring, which involves (i) a new financial partner alongside the MND’s reference shareholder, (ii) restructuring of the Company’s bank debt and (iii) two capital increases subject to shareholder approval voted in an extraordinary general meeting, with a view to bolstering the Company’s equity.

### New financial partner alongside the reference shareholder

MND has signed an agreement with Cheyne SVC LLP and Cheyne Capital Management (UK) LLP, an alternative investment fund manager regulated by the Financial Conduct Authority (“Cheyne SVC”), whereby Cheyne SVC undertakes to back the Company’s planned bank debt restructuring and equity strengthening.

For this purpose, Cheydemont was formed as holding company, in which Montagne & Vallée (“M&V”), MND’s reference shareholder<sup>2</sup>, holds a 60% equity stake and Cheyne SVC holds the remaining 40%.

<sup>1</sup> See [31 July 2019 press release](#)

<sup>2</sup> As at 31 July 2019, Montagne et Vallée held 25.82% of the Company’s equity and 40.88% of its theoretical voting rights.

Your contacts //  
 MND Group – Roland Didier – Tel. +33 (0)4 79 65 08 90 – roland.didier@mnd-group.com  
 Press relations – Alexandre Bérard – Tel. +33 (0) 6 08 61 36 97 - alex@alternativemedia.fr  
 Financial press relations – Serena Boni – Tel. +33 (0)4 72 18 04 92 – sboni@actus.fr  
 Investor relations – Mathieu Omnes – Tel. +33 (0)1 53 67 36 92 – momnes@actus.fr



Management believe that, following the transactions, Company liquidity risk will be negligible and that it will be able to meet its future liabilities beyond the next 12 months.

The table below shows the impact on debt and equity of the planned transactions, on the basis of 31 December 2018 balances (unaudited data).

Unaudited data (€m)	31/12/18	After Cheydemont and M&V capital increases	After exercise of all stock warrants
Shareholders' equity	27.4	62.4	67.9
Net debt	68.5	33.5	28.0
<b>Gearing ratio</b>	<b>2.5</b>	<b>0.5</b>	<b>0.4</b>

### Shareholding changes

The tables below shows the planned changes in the capital breakdown of MND.

MND capital and voting rights breakdown at 31 July 2019				
Shareholders	Number of shares	Equity %	Number of voting rights	Voting rights %
Montagne et Vallée:	4,998,904	25.82%	9,997,808	40.88%
AUDACIA	999,364	5.16%	999,368	4.09%
<b>Subtotal M&amp;V</b>	<b>5,998,268</b>	<b>30.98%</b>	<b>10,997,176</b>	<b>44.97%</b>
EQUITY 5	85,500	0.44%	165,500	0.68%
PUBLIC	13,219,401	68.27%	13,233,031	54.09%
TREASURY SHARES*	60,345	0.31%	65,317	0.26%
<b>TOTAL</b>	<b>19,363,514</b>	<b>100.00%</b>	<b>24,461,024</b>	<b>100.00%</b>

\*Treasury shares have no voting rights at general meetings but they are included in the calculation of theoretical voting rights.

MND capital and voting rights breakdown after Cheydemont and M&V capital increases by 18 September 2019				
Shareholders	Number of shares	Equity %	Number of voting rights	Voting rights %
Montagne et Vallée:	4,998,904	7.34%	9,997,808	13.65%
AUDACIA	999,364	1.47%	999,368	1.36%
Cheydemont	48,780,488	71.58%	48,780,488	66.61%
<b>Subtotal M&amp;V</b>	<b>54,778,756</b>	<b>80.39%</b>	<b>59,777,664</b>	<b>81.62%</b>
EQUITY 5	85,500	0.13%	165,500	0.23%
PUBLIC	13,214,429	19.39%	13,228,059	18.06%
TREASURY SHARES*	65,317	0.10%	65,317	0.09%
<b>TOTAL</b>	<b>68,144,002</b>	<b>100.00%</b>	<b>73,236,540</b>	<b>100.00%</b>

Your contacts //////////////////////////////////////  
MND Group – Roland Didier – Tel. +33 (0)4 79 65 08 90 – roland.didier@mnd-group.com  
Press relations – Alexandre Bérard – Tel. +33 (0) 6 08 61 36 97 - alex@alternativemedia.fr  
Financial press relations – Serena Boni – Tel. +33 (0)4 72 18 04 92 – sboni@actus.fr  
Investor relations – Mathieu Omnes – Tel. +33 (0)1 53 67 36 92 – momnes@actus.fr





For information purposes, the issue's impact on the equity stake of a shareholder holding a 1% Company equity stake prior to the aforementioned capital increases, who does not subscribe thereto, (calculated based on the current 19,363,514 Company shares), would be as follows:

	Shareholder equity stake	
	Undiluted basis	Diluted basis*
Pre-issue	1%	0.71%
After to Cheydemont and M&V capital increases	0.18%	0.16%
After exercise of all stock warrants	0.16%	0.15%

*\*If the 7,766,127 remaining convertible bonds have been converted as at the date of publication.*

### Independent expert fairness opinion

On 1 July 2019 and in conjunction with the planned capital increases, the MND board of directors appointed an independent expert tasked with issuing a fairness opinion on the financial terms and conditions of the planned capital increases with cancellation of the preferential subscription rights to named persons, in accordance with Article 261-2 of the general rules of the AMF General Regulation.

The independent expert fairness opinion was issued on 22 July 2019 and its conclusion is as follows: *“The results of our analysis of the MND share value based on the methods we applied and our valuation approach as at the date of our valuation, allow us to conclude that the planned issue price of €0.41 per MND share is fair.”* »

The independent expert’s fairness opinion is available on the Company website at [www.mnd-bourse.com](http://www.mnd-bourse.com), under the heading Regulated Information.

### Exemption from mandatory takeover bid

The above transactions will notably lead M&V to increase its initial stake of between 30% and 50% of MND's share capital and voting rights by more than 1% in less than 12 consecutive months, which generates the mandatory deposit of a public offer project.

In the circumstances, the AMF has granted an exemption from the mandatory deposit of such a public offer on the grounds of Article 234-9,2° of its General Regulation (recapitalization of a company in a situation of financial difficulty subject to at the approval of the general meeting of shareholders)

### Calling shareholders to an extraordinary general meeting

Resolutions will be drafted for both capital increases for share issue with cancellation of the preferential subscription rights and will be proposed to a shareholder vote in an extraordinary general meeting. The shareholders will have been informed of the potential dilution in the Board of Directors’ reports submitted to said general meeting. In order to issue shares at the adopted €0.41 per share price, a resolution will also be submitted to the general meeting approval authorising a share capital reduction of MND to lower nominal value per share and posting the difference with the existing nominal value to a non-distributable reserve account without changing the number of shares in issue.

Shareholders will also be called upon to vote on a resolution authorising issue of free stock warrants.

The following documents will be available for the public in advance of such general meeting:

- The independent expert’s fairness opinion on the fairness of the planned operations financial conditions;
- The statutory auditors’ special report on Company share capital transactions including share issues with cancellation of the preferential subscription rights;
- The Board of Directors’ reports to the various general meetings.

### Your contacts //////////////////////////////////////

MND Group – Roland Didier – Tel. +33 (0)4 79 65 08 90 – roland.didier@mnd-group.com  
 Press relations – Alexandre Bérard – Tel. +33 (0) 6 08 61 36 97 - alex@alternativemedia.fr  
 Financial press relations – Serena Boni – Tel. +33 (0)4 72 18 04 92 – sboni@actus.fr  
 Investor relations – Mathieu Omnes – Tel. +33 (0)1 53 67 36 92 – momnes@actus.fr

## MND share listing resumption

The Company will apply to Euronext to resume the listing of MND shares that will be effective from 19 August 2019.

## Update of the financial communication calendar

Given the strong mobilization of the Group's financial teams around the transactions presented above, the Group announces that the publications of the revenues and results for the 2018-2019 financial year, scheduled for August 30, 2019 and October 31 2019 respectively, will be shifted by one month, as indicated in the provisional schedule below.

## Provisional schedule

14 August 2019	Press release issued Independent expert fairness opinion made available
19 August 2019	MND share listing resumption
18 September 2019	MND extraordinary general meeting Cheydemont capital increase
27 September 2019	MND extraordinary general meeting M&V capital increase
30 September 2019	Publication of 2018-2019 revenues
4 October 2019	Free issue of stock warrants Stock warrants first quoted on Euronext Growth
29 November 2019	Publication of 2018-2019 results
31 December 2020	Deadline for exercise of stock warrants

## Risk factors

Investors are invited to consider the risk factors described under chapter 4 of the MND Registration Document registered with the French financial markets authority (AMF) on 28 March 2018 under number R.18-008. Such risk factors have not significantly changed since said date except for liquidity risk that is detailed in the 31 July 2019 press release and restated herein.

Investors' attention is drawn to the risk factors specific to the transactions covered herein including:

- Liquidity risk if the capital increases are not carried out. Should the capital increases not be carried out in the next few weeks, MND Group will not be able to meet its future liabilities, which would cast doubt on its ability to operate as a going concern.
- Dilution risks resulting from the capital increases. Shareholders who do not participate in the capital increases and who choose, additionally, not to exercise stock warrants that they would receive free of charge, will have their stake in the Company's capital and voting rights considerably reduced. Even if they choose to sell their stock warrants, any proceeds therefrom will be insufficient to compensate them for their equity dilution. A further consequence will be a sharp reduction in the public float that could mean lower daily trading volumes.
- The 2023 funding risk should debt markets be tight at that time, which would hinder the Senior loan refinancing.
- Risk of change of control due to M&V preference shares granted to Cheyne SVC and Cheydemont preference share granted to Cheyne SVC, which could be exercised should an event of default (primarily payment default, insolvency, breach of covenant or material adverse change (MAC) in the financial position of M&V, Cheydemont or MND) occur. Such a change of control would have no impact on the Company's existing borrowings and no material impact on MND's current sales contracts. A change of control would trigger a mandatory public takeover bid and Cheyne SVC would then have to comply with all applicable rules in such a situation.

Your contacts   
 MND Group – Roland Didier – Tel. +33 (0)4 79 65 08 90 – roland.didier@mnd-group.com  
 Press relations – Alexandre Bérard – Tel. +33 (0) 6 08 61 36 97 - alex@alternativemedia.fr  
 Financial press relations – Serena Boni – Tel. +33 (0)4 72 18 04 92 – sboni@actus.fr  
 Investor relations – Mathieu Omnes – Tel. +33 (0)1 53 67 36 92 – momnes@actus.fr



- 5. Risk of a market for the free stock warrants not existing. There is no guarantee that once the stock warrants are listed, a market will develop for them or that their holders will be able to sell them on a secondary market. There is no obligation to build a secondary market for the stock warrants. If a market does develop for the stock warrants, their price could be more volatile than that of MND shares.

## ABOUT MND

In the heart of the Alps, the MND group brings together a full range of complementary skills. A key player in a sector where France excels, the group is a benchmark industrial partner in the fields of mobility, safety and leisure. Harmonious and innovative development for ropeway transport infrastructure, safety procedures, snowmaking systems and extreme sports facilities require a global approach. This industrial vision provides a relevant and effective response for multiple customers, facilitating their projects and satisfying end users. It enables the MND group to operate in all the major international markets. With its five production plants, eight international distribution subsidiaries and 30 dealers worldwide, Subsidiaries of MND Group (LST, SUFAG, TECHFUN, TAS, MBS) are dealing with 3000 customers in 49 countries of the world. MND Group is a listed company on Euronext Growth in Paris (FR0011584549 – ALMND). **More information : [mnd-group.com](http://mnd-group.com)**

Your contacts //////////////////////////////////////

MND Group – Roland Didier – Tel. +33 (0)4 79 65 08 90 – [roland.didier@mnd-group.com](mailto:roland.didier@mnd-group.com)  
 Press relations – Alexandre Bérard – Tel. +33 (0) 6 08 61 36 97 - [alex@alternativemedia.fr](mailto:alex@alternativemedia.fr)  
 Financial press relations – Serena Boni – Tel. +33 (0)4 72 18 04 92 – [sboni@actus.fr](mailto:sboni@actus.fr)  
 Investor relations – Mathieu Omnes – Tel. +33 (0)1 53 67 36 92 – [momnes@actus.fr](mailto:momnes@actus.fr)