CONSTRUCTIONS INDUSTRIELLES DE LA MÉDITERRANÉE (CNIM)

CNIM is a limited liability company (*Société anonyme*) incorporated in France,
with a Management Board and share capital of €6,056,220

Registered Office: 64 rue Anatole France – 92300 Levallois-Perret

Registered with the Nanterre Trade and Companies Registry (RCS) under number 662 043 595

FINANCIAL REPORT

For the six-month period ended

JUNE 30, 2021

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1 SIGNIFICANT EVENTS OF THE PERIOD

New conciliation procedure

Given its cash requirements in 2021, the Group continued the financial restructuring process begun in 2020. In May 2020, an initial conciliation protocol was approved by the French Commercial Court.

The Group subsequently requested the initiation of a second conciliation procedure, resulting in the signing of a protocol on May 21, 2021.

After signing the protocol and before it was approved by the French Commercial Court, the Group announced a decline in its operating results in a press release dated June 16, 2021.

The Group refocused the strategic positioning of the E&E EPC Business Division and resumed discussions with the French government and its creditors with a view to amending the protocol signed on May 21, 2021.

The amended protocol was signed on June 30, 2021 by all parties involved and approved by the French Commercial Court on August 13, 2021. There were four main changes to the version dated May 21, 2021:

- The long-term loan granted by the French government was increased from the initial €40 million to €125 million;
- The Group's existing financial debt of €163 million was waived with a return to profitability clause providing for repayment to creditors instead of conversion into bonds redeemable in shares (ORA);
- A limit of 20% of proceeds from the divestment of O&M business was set for repayment of medium-term debt;
- CNIM has undertaken to implement a financial backing program in the coming year. This program may result in a change of control or asset disposals to enable the Group to continue operating and reduce outstanding amounts due to creditors.

Information relating to the new conciliation procedure is provided in Note 2 "Significant events of the period" to the condensed consolidated interim financial statements for the period ended June 30, 2021.

Divestment of Bertin IT business

Bertin IT and Vecsys assets were sold in June 2021 to ChapsVision (Notes 2 and 3 to the condensed consolidated interim financial statements for the period ended June 30, 2021).

Transfer of the Group's registered office

On March 15, 2021, the Group transferred its registered office to 64, rue Anatole France - 92300 Levallois Perret. (Note 2 to the condensed consolidated interim financial statements for the period ended June 30, 2021).

Signing of the "EPC" trust agreement

On February 22, 2021, the Group signed the "EPC" trust agreement with CNIM Group as Settlor and Beneficiary, Equitis Gestion as Trustee, Crédit Lyonnais as Protector, the Secured Creditors as Beneficiaries and CNIM Environnement & Energie EPC as the Company (Note 2 to the condensed consolidated interim financial statements for the period ended June 30, 2021).

2 OPERATIONS

2.1 Order intake

2.1.1 Group order intake by operating segment

(in € millions)	2020			2021			Change 2021/ 2020
	1st Quarter	2nd Quarter	Total June 30	1st Quarter	2nd Quarter	Total June 30	
Environment & Energy	183.7	1.8	185.4	42.2	55.5	97.8	-47.3%
Innovation & Systems	44.6	41.6	86.2	37.7	47.2	84.8	-1.6%
Not allocated	0.2	0.0	0.2	0.1	0.4	0.5	
TOTAL	**228.5**	**43.4**	**271.8**	**80.0**	**103.1**	**183.1**	**-32.6%**

Group orders for the first six months of 2021 amounted to €183.1 million, compared with €271.8 million for the same period in 2020.

2.1.2 Environment & Energy order intake

(in € millions)	2020			2021			Change 2021/ 2020
	1st Quarter	2nd Quarter	Total June 30	1st Quarter	2nd Quarter	Total June 30	
E&E EPC	102.3	(7.7)	94.6	(1.7)	15.4	13.7	-85.5%
E&E LAB	27.3	0.7	28.0	3.1	37.3	40.4	+44.4%
E&E O&M	46.1	0.6	46.7	42.5	(4.7)	37.8	-19.0%
E&E Services	7.9	8.2	16.1	(1.6)	7.4	5.8	-63.9%
Environment & Energy	**183.7**	**1.8**	**185.4**	**42.2**	**55.5**	**97.8**	**-47.3%**

The Environment & Energy operating segment comprises four business divisions:

- “EPC”: “turnkey” household and biomass waste-to-energy processing plants;
- “LAB”: flue gas treatment solutions for household waste-to-energy processing plants, flue-gas scrubbing systems for merchant ship engines, and related services;
- “O&M”: operation and maintenance of household and biomass waste-to-energy processing plants and systems for the removal and recovery of heavy metals from incinerator ash residues;
- “Services”: expertise, performance enhancement and refurbishment services for household and biomass waste-to-energy processing plants and combustion plants.

E&E EPC Business Division

At June 30, 2021, the EPC business division recorded orders of €13.7 million compared with €94.6 million at June 30, 2020, following the adjustment of backlog after the reporting date.

At June 30, 2020, the division primarily adjusted backlog for the Civil Engineering component of the Lostock contract, i.e. €98 million.

E&E LAB Business Division

At June 30, 2021, the LAB business division had recorded orders of €40.4 million, compared with €28 million at June 30, 2020, primarily relating to flue gas treatment systems.

At June 30, 2020, the division had recorded the Zuchwil (Switzerland) contract for flue gas treatment systems for household waste-to-energy processing plants and the Hammonia contract for flue gas treatment systems for ship engines.

E&E O&M Business Division

At June 30, 2021, the division had recorded orders of €37.8 million, compared with €46.7 million at June 30, 2020.

E&E Services Business Division

The division had recorded orders of €5.8 million at June 30, 2021, compared with €16.1 million at June 30, 2020.

2.1.3 Innovation & Systems order intake

(in € millions)	2020			2021			Change 2021/ 2020
	1st Quarter	2nd Quarter	Total June 30	1st Quarter	2nd Quarter	Total June 30	
I&S – Industrial Systems Division	24.3	22.8	47.1	17.5	9.0	26.5	-43.7%
I&S - Bertin	20.3	18.8	39.1	20.1	38.2	58.3	+49.1%
Innovation & Systems	**44.6**	**41.6**	**86.2**	**37.7**	**47.2**	**84.8**	**-1.6%**

The Innovation & Systems operating segment comprises two business divisions:

- DSI: Industrial Systems Division;
- Bertin subsidiaries.

E&S DSI Business Division

For the Industrial Systems Division, order intake at June 30, 2021 amounted to €26.5 million compared with €47.1 million at June 30, 2020.

At June 30, 2021, the division recorded orders of an aggregate €18.3 million for the "Systems" business and €8.2 million for the "Industrial Solutions" business.

At June 30, 2020, the division recorded a high level of orders for the "Deterrence", "Nuclear-State-of-the-Art Scientific Instruments" and "Industrial Solutions" business for an aggregate €12.5 million.

I&S Bertin Business Division

For the Bertin Business Division, order intake at June 30, 2021 amounted to €58.3 million compared with €39.1 million at June 30, 2020.

Order intake per operating segment breaks down as follows:

- Systems & Instrumentation: €56 million,
- Information Technology: €2.3 million (divested in June).

2.2 Revenue

2.2.1 Revenue by operating segment

At June 30, 2021, revenue amounted to €267.6 million, compared with €278.6 million at June 30, 2020.

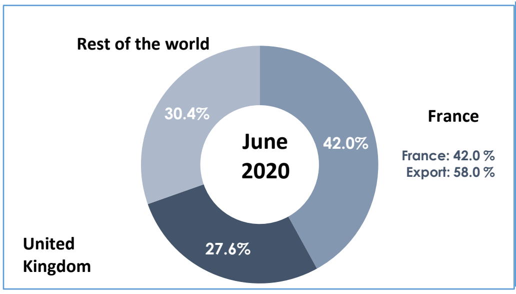
(in € millions)	2020			2021			Change 2021/2020
	1st Quarter	2nd Quarter	**Total June 30**	1st Quarter	2nd Quarter	**Total June 30**	
Environment & Energy	99.0	98.7	197.6	80.9	96.2	177.2	-10.4%
Innovation & Systems	36.9	43.9	80.8	45.0	44.9	89.9	+11.2%
Not allocated	0.1	0.1	0.2	0.1	0.4	0.5	
TOTAL	**135.9**	**142.7**	**278.6**	**126.0**	**141.5**	**267.6**	**-4.0%**

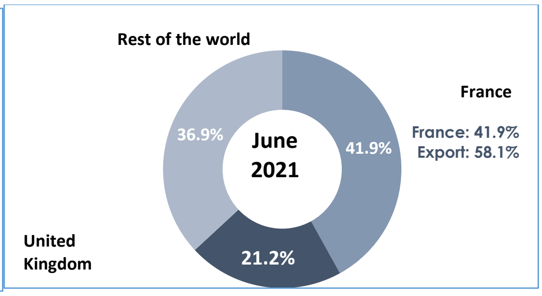
The €11 million decrease in revenue compared with the first six months of the prior year was primarily due to the decrease in revenue from the EPC business division, which was partly offset by the increase in revenue from the Innovation & Systems operating segment.

2.2.2 Breakdown of revenue by geographic area

In the first six months of 2021, 41.9% of the Group's revenue was generated in France, 21.2% in the UK and 36.9% in the rest of the world.

Revenue generated from exports represented 58.1% of total revenue at June 30, 2021 (58.0% at end-June 2020 and 51.8% at end-June 2019).





2.3 Backlog

(in € millions)	Backlog Dec. 31, 2020	Order intake	Revenue	Scope changes	Backlog June 30, 2021
Environment and Energy	901,124	97,767	177,171	-	821,719
Innovation & Systems	295,177	84,832	89,861	(9,558)	280,589
Other	-	545	545	-	-
TOTAL	**1,196,301**	**183,143**	**267,578**	**(9,558)**	**1,102,308**

Group backlog at June 30, 2021 amounted to €1,102.3 million, a decrease of 7.9% compared with backlog at January 1, 2021 and accounted for approximately two years of revenue.

Changes per operating segment break down as follows:

- -8.8% for the Environment & Energy operating segment;
- -4.9% for the Innovation & Systems operating segment.

Backlog per business division at June 30, 2021 breaks down as follows:

(in € millions)	Backlog Jan 1, 2021	Scope changes	Order intake	Revenue	Backlog June 30, 2021	
E&E - EPC	661.7	2.9	13.7	114.9	563.4	51%
E&E - LAB	82.8	-	40.4	16.9	106.3	10%
E&E - Services	31.2	(2.9)	5.8	12.3	21.9	2%
E&E - O&M	125.4	-	37.8	33.1	130.2	12%
Environment & Energy	**901.1**	**-**	**97.8**	**177.2**	**821.7**	**75%**
I&S – Industrial Systems Division	206.5	-	26.5	42.4	190.6	17%
I&S - Bertin	88.7	(9.6)	58.3	47.5	90.0	8%
Innovation & Systems	**295.2**	**(9.6)**	**84.8**	**89.9**	**280.6**	**25%**
Not allocated	**-**	**-**	**0.5**	**0.5**	**-**	**0%**
TOTAL	**1,196.3**	**(9.6)**	**183.1**	**267.6**	**1,102.3**	**100%**

3 NET INCOME

The condensed interim financial statements at June 30, 2021 have been prepared using the same accounting policies and methods as for the financial statements at December 31, 2020.

(In € millions)	June 30, 2020	June 30, 2021
Revenue	**278.6**	**267.6**
EBITDA	**(26.9)**	**(59.7)**
Recurring operating income (expense)	(35.2)	(66.2)
Non-recurring operating income (expense)	13.0	(3.1)
Operating income (expense)	**(22.1)**	**(69.3)**
Equity-accounted investments	0.9	(0.9)
Operating income (expense) after share of net income of equity-accounted investments	**(21.2)**	**(70.2)**
Net financial income (expense)	(9.5)	(5.9)
Pretax income	**(30.7)**	**(76.1)**
Income tax	(2.6)	(2.3)
Net income (loss) for the period	**(33.2)**	**(78.4)**
Attributable to non-controlling interests	(0.9)	(0.9)
Net income (loss) attributable to owners of the parent	**(32.3)**	**(77.5)**

3.1 Recurring operating income and EBITDA by operating segment

The contribution of the operating segments to revenue and recurring operating income are shown below, along with year-on-year changes:

(in € millions)	June 30, 2020			June 30, 2021		
	Revenue	Recurring operating income	Recurring operating margin	Revenue	Recurring operating income	Recurring operating margin
Environment & Energy	197.6	(25.2)	(12.8)%	177.2	(67.3)	(38.0)%
Innovation et Systems	80.8	(7.8)	(9.7)%	89.9	0.2	0.3%
Not allocated	0.2	(2.2)	(1,071.8)%	0.5	0.9	156.9%
TOTAL	**278.6**	**(35.2)**	**(12.6)%**	**267.6**	**(66.2)**	**(24.7)%**

Changes in EBITDA per operating segment were as follows:

(in € millions)	June 30, 2020			June 30, 2021		
	Revenue	EBITDA	EBITDA margin	Revenue	EBITDA	EBITDA margin
Environment & Energy	197.6	(23.3)	(11.8)%	177.2	(65.7)	(37.1)%
Innovation & Systems	80.8	(3.6)	(4.5)%	89.9	3.6	4.0%
Not allocated	0.2	(0.0)	(22.8)%	0.5	2.4	448.4%
TOTAL	**278.6**	**(26.9)**	**(9.7)%**	**267.6**	**(59.7)**	**(22.3)%**

Environment & Energy operating segment

- Performance of the EPC Division was again heavily impacted by lower margins on turnkey and ongoing contracts;
- The improvement in the LAB Division's results compared with the first six months of 2020 was mainly due to profit from a completed contract;
- The Services Division again contributed negatively to operating income in the first half of 2021, mainly due to the difficulties encountered with a contract that was terminated;
- The O&M Division regularly contributed positively to operating income.

Innovation & Systems operating segment

- Although the half-year results of the Industrial Systems Division were still low, they improved in all businesses compared with the first six months of 2020;
- Operating income for the Bertin Business Division was higher than in the first six months of 2020.

3.2 Non-recurring income and expense

At June 30, 2021, the Group recognized non-recurring net expense of €3.1 million, primarily comprising the costs relating to the Group's financial and organizational restructuring and gains on the sale of Bertin IT and Vecsys.

3.3 Net income from equity-accounted investments

Equity-accounted investments generated a net loss of €0.9 million for the period ended June 30, 2021, compared with net income of €0.9 million for the same period in 2020.

3.4 Net financial income and expense

Net financial expense for the period ended June 30, 2021 amounted to -€5.9 million, compared with -€9.5 million for the same period in 2020. Components of net financial expense were:

- Cost of debt: -€3.8 million;
- Foreign exchange differences: -€0.2 million;
- Other: -€1.9 million.

The line item "Foreign exchange differences" mainly includes the carrying cost (unrealized and realized forward points) of derivative instruments set up to hedge future commercial contract flows; the "forward points" share of foreign currency hedges (systematic on contracts) is recognized under financial income (expense) with significant changes in the unrealized portion in the first half of 2021.

3.5 Income tax

At June 30, 2021, income tax expense amounted to €2.3 million compared with €2.6 million at June 30, 2020.

The tax loss of €64.2 million generated in the first six months of 2021 for the French tax consolidation scope was not recognized. If it had, it would have resulted in the recognition of income tax income of €16.6 million.

3.6 Net income or loss

Net loss attributable to owners of the parent, excluding non-controlling interests, amounted to €77.5 million at June 30, 2021.

4 FINANCING / CASH FLOW

4.1 Cash flow statement

The main items presented in the condensed consolidated cash flow statement are as follows:

(in € millions)	June 30, 2020	June 30, 2021
Net cash from operations before changes in working capital, cost of debt and income tax	(35.7)	(64.5)
Change in working capital requirements	(26.4)	(46.9)
Income tax paid	(1.4)	(1.7)
Net cash flow from (used in) investing activities	34.4	(0.2)
Net cash flow from (used in) financing activities	61.3	25.5
Movement in exchange rates	0.9	(2.4)
Change in assets/liabilities held for sale		(5.3)
Net increase (decrease) in cash and cash equivalents	**33.0**	**(95.5)**
Opening cash and cash equivalents	94.9	137.4
Closing cash and cash equivalents	**127.9**	**41.9**

4.1.1 Net cash from operations before changes in working capital, cost of debt and income tax

Net cash used in operations before changes in working capital, cost of debt and income tax amounted to €64.5 million for the period ended June 30, 2021, compared with €35.7 million at end-June 2020, primarily due to lower half-year results for the EPC business division.

4.1.2 Working capital requirements

	Dec. 31, 2020	June 30, 2021	Change in WCR	Change in assets/liabilities held for sale	Other non-cash changes*	Change in WCR (CFS)
Inventories and work in progress	24.3	24.4	0.2	(0.1)	(0.4)	(0.4)
Advances and down payments made	15.8	22.9	7.1	0.2	0.1	7.4
Trade and other receivables	105.3	78.2	(27.1)	0.8	0.6	(25.7)
Accrued income from contracts in progress	104.5	103.8	(0.7)	(2.0)	1.0	(1.7)
Social security and tax receivables	83.3	92.5	9.2	(2.8)	8.8	15.2
Other current operating assets	17.0	38.6	21.6	(1.5)	8.4	28.5
TOTAL CURRENT ASSETS	**350.1**	**360.4**	**10.3**	**(5.4)**	**18.4**	**23.2**
Advances and down payments received	(18.8)	(14.3)	4.5	0.5	(1.6)	3.5
Trade payables	(150.8)	(137.8)	13.0	0.5	(2.3)	11.2
Deferred income from contracts in progress	(133.7)	(127.5)	6.3	0.3	(1.6)	4.9
Social security and tax payables	(82.0)	(71.2)	10.7	3.3	(3.4)	10.7
Other current operating liabilities	(14.2)	(17,4)	(3.1)	(0.5)	(3.0)	(6.6)
TOTAL CURRENT LIABILITIES	**(399.5)**	**(368.2)**	**31.4**	**4.1**	**(11.9)**	**23.6**
Working capital requirement	**(49.4)**	**(7.7)**	**41.7**	**(1.3)**	**6.5**	**46.8**

* Currency translation differences, scope, other

The decrease in the Group's working capital requirement during the first six months of 2021 was mainly due to a decrease in trade payables and social security and tax payables, as well as an increase in other current operating assets.

4.1.3 Capital expenditure

For the period ended June 30, 2021, capital expenditure amounted to €11.5 million, comprising the following items:

- Acquisition of intangible assets and property, plant and equipment: €11.3 million;
- Other: €0.2 million.

The acquisition of intangible assets and property, plant and equipment breaks down as follows:

(in € millions)	June 30, 2021
Intangible assets	**3.8**
IT	0.4
Other	3.4
Property, plant and equipment	**7.5**
Land	0.0
Buildings	3.0
Production	3.4
Furniture and office equipment	0.9
IT	0.1
Other	0.0
Total intangible assets and property, plant and equipment	**11.3**
Financial assets	**0.3**
Capital expenditure	**11.5**

4.1.4 Net cash flow used in financing activities

Net cash flow used in financing activities amounted to €25.5 million for the period, corresponding to:

- An increase in loans and borrowings for €40.4 million;
- Repayment of loans and borrowings for €4.8 million;
- Financial interest paid for €3.9 million;
- Securitization of receivables for €6.3 million.

4.2 Net debt

(in € millions)	June 30, 2021	Dec. 31, 2020
Cash equivalents	0.0	0.1
Cash	47.7	143.0
Total cash and cash equivalents	**47.7**	**143.1**
Non-current financial liabilities	(83.8)	(216.6)
Current financial liabilities	(232.9)	(70.5)
Financial liabilities	**(316.7)**	**(287.1)**
Net debt	**(269.0)**	**(144.0)**

At June 30, 2021, the Group's net debt amounted to €269.0 million, compared with €144.0 million at December 31, 2020, and included lease liabilities in accordance with IFRS 16.

4.3 Debt

	2021			2020		
	June 30, 2021			Dec. 31, 2020		
	Non-current Financial Liabilities	Current Financial Liabilities	Total	Non-current Financial Liabilities	Current Financial Liabilities	Total
Loan to invest in the Exensor group	-	18.0	**18.0**	12.0	6.0	**18.0**
Drawdowns of the revolving credit facility	-	120.0	**120.0**	120.0	-	**120.0**
Medium-term bank loan	-	33.0	**33.0**	-	35.0	**35.0**
Martin GmbH bond	45.0	-	**45.0**	45.0	-	**45.0**
Medium-term government loan (development fund)	-	8.8	**8.8**	-	8.8	**8.8**
Participating loan (development fund)		40.0	**40.0**			
Loan to fund R&D projects	0.8	0.7	**1.6**	1.1	0.9	**1.8**
Other borrowings	(0.4)	(0.4)	**(0.8)**	(1.1)	0.5	**(0.5)**
Total loans and borrowings	45.4	220.1	**265.5**	177.0	51.0	**228.1**
Lease liabilities	12.2	3.3	**15.4**	13.3	3.8	**17.1**
Refundable advances	6.3	0.4	**6.7**	6.3	0.4	**6.7**
Sales of receivables	19.6	3.3	**22.9**	19.7	9.5	**29.2**
Other financial liabilities	0.4	0.0	**0.4**	0.4	0.0	**0.4**
FINANCIAL LIABILITIES	**83.8**	**227.1**	**310.9**	**216.6**	**64.8**	**281.4**
Bank overdrafts and short-term bank loans	-	5.8	**5.8**	-	5.7	**5.7**
NET FINANCIAL LIABILITIES	**83.8**	**232.9**	**316.7**	**216.6**	**70.5**	**287.1**

The Group's debt amounted to €316.7 million at June 30, 2021.

The Group has a syndicated, multi-currency credit facility of €120 million, which was renewed in December 2017 for an initial period of five years, extended to six years in 2018, which had been fully drawn down at June 30, 2021.

The main changes in debt were due to the implementation of the 2021 conciliation protocol and a €40 million loan from the French government (development fund).

Sales of trade and tax receivables amounted to €22.9 million at June 30, 2021, compared with €29.2 million at December 31, 2020.

4.4 Liquidity

The Group's liquidity position deteriorated during the six-month period, although total cash and cash equivalents remained positive at €47.7 million.

4.5 Equity

Changes in consolidated equity were as follows:

(in € millions)	Consolidated equity
January 1, 2021	**(136.7)**
Net income (loss) for the six-month period ended June 30, 2021	(77.5)
Other comprehensive income, changes in consolidation scope, treasury share transactions	(4.5)
June 30, 2021	**(218.7)**

5 Outlook

The approval of the conciliation protocol and the Group's strategic refocusing are positive steps towards recovery. However, as the half-year results show, there is still uncertainty regarding the EPC Division's ability to achieve planned contracts and perform ongoing contracts as estimated.

To reduce these uncertainties, the Group intends to continue strengthening contract risk management and to implement financial backing solutions, in particular for its EPC business division.

6 Risk analysis

Risks are described in Note 2.7 of the 2020 Universal Registration Document.

7 Transactions with related parties

All transactions with related parties were at arm's length.

8 Subsequent events

The Group has not identified any subsequent events other than:

- Signing and approval of the conciliation protocol (see Note 2 – Significant events of the period - Condensed Consolidated Interim Financial Statements for the period ended June 30, 2021);
- Disposal of the O&M business in France and Azerbaijan (see Note 3 – Assets held for sale – Condensed Consolidated Interim Financial Statements for the period ended June 30, 2021), for a price net of transaction costs of €29.5 million.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2021

1 FINANCIAL STATEMENTS

The financial statements are presented in thousands of euros.

1.1 Consolidated Interim Income Statement

1.1.1 ASSETS

(in € thousands)	Note	June 30, 2021	June 31, 2020
Intangible assets	11	26,335	25,002
Goodwill	12	62,789	62,884
Property, plant and equipment	13	57,669	53,364
Right-of-use assets		16,844	18,616
Equity-accounted investments	14	5,066	5,331
Other non-current financial assets	15	4,682	5,174
Deferred tax assets		2,656	2,335
TOTAL NON-CURRENT ASSETS		**176,040**	**172,708**
Inventories and work in progress		24,431	24,264
Advances and down payments made		22,895	15,755
Trade and other receivables		78,203	105,349
Accrued income from contracts in progress		103,849	104,527
Social security and tax receivables		93,650	84,732
Other current operating assets		38,583	16,952
Cash and cash equivalents		47,749	143,101
CURRENT ASSETS		**409,361**	**494,680**
Assets held for sale	3	69,047	71,946
TOTAL CONSOLIDATED ASSETS		**654,449**	**739,334**

1.1.2 EQUITY AND LIABILITIES

(in € thousands)	Note	June 30, 2021	June 31, 2020
Share capital	16	6,056	6,056
Additional paid-in capital		7,237	7,237
Retained earnings		(154,474)	(19,083)
Net income (loss) for the period		(77,494)	(130,922)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		**(218,675)**	**(136,713)**
Non-controlling interests (Retained earnings)		1,454	2,769
Non-controlling interests (Net income (loss))		(871)	(1,563)
NON-CONTROLLING INTERESTS		**583**	**1,206**
Borrowings and debt	17	71,659	203,352
Non-current lease liabilities	17	12,162	13,264
Provisions for retirement and other employee benefits	18	17,618	17,808
Other non-current provisions	19	11,267	9,542
Deferred tax liabilities		484	1,616
NON-CURRENT LIABILITIES		**113,191**	**245,582**
Current financial liabilities	17	229,629	66,672
Current lease liabilities	17	3,286	3,843
Current provisions	19	124,142	118,304
Trade accounts payable		137,971	150,971
Deferred income from contracts in progress		141,793	152,574
Social security and tax payables		72,383	83,189
Other current operating liabilities		17,353	14,209
CURRENT LIABILITIES		**726,556**	**589,762**
Liabilities held for sale	3	32,794	39,497
TOTAL CONSOLIDATED EQUITY AND LIABILITIES		**654,449**	**739,334**

1.2 Consolidated Interim Income Statement

(in € thousands)	Note	June 30, 2021	June 30, 2020
Revenue	5, 6	**267,578**	**278,643**
Change in semi-finished and finished goods		74	(567)
Operating grants		6,284	6,810
Other operating income		5,718	4,213
Purchases and change in inventories		(187,014)	(167,986)
Other external expenses		(48,443)	(38,552)
Taxes other than income taxes		(3,609)	(5,082)
Personnel expenses		(90,225)	(95,633)
Depreciation and amortization expense		(6,470)	(8,211)
Change in provisions		(7,920)	(2,569)
Other operating expenses		(2,134)	(6,220)
RECURRING OPERATING INCOME		**(66,160)**	**(35,154)**
Non-recurring operating income (expense)	7	(3,121)	13,016
OPERATING INCOME	5	**(69,281)**	**(22,138)**
Share of net income of equity-accounted investments	14	(914)	941
OPERATING INCOME AFTER SHARE OF NET INCOME OF EQUITY-ACCOUNTED INVESTMENTS	5	**(70,195)**	**(21,197)**
Cost of net debt	8	(3,779)	(2,229)
Foreign exchange differences	8	(225)	(6,990)
Other financial income (expense)	8	(1,889)	(251)
FINANCIAL INCOME (EXPENSE)	8	**(5,893)**	**(9,470)**
PRETAX INCOME		**(76,088)**	**(30,666)**
Income tax expense	9	(2,277)	(2,571)
NET INCOME FROM CONTINUING OPERATIONS		**(78,365)**	**(33,237)**
TOTAL NET INCOME (LOSS)		**(78,365)**	**(33,237)**
. Attributable to owners of the parent		(77,494)	(32,336)
. Attributable to non-controlling interests		(871)	(901)
Earnings per share (in €)			
Basic earnings per share attributable to owners of the parent	10	(27.41)	(11.45)
Diluted earnings per share attributable to owners of the parent	10	(27.41)	(11.45)
Earnings per share from continuing operations		(27.72)	(11.76)

1.3 Consolidated Interim Statement of Comprehensive Income

(in € thousands)	Note	June 30, 2021	June 30, 2020
NET INCOME (LOSS) FOR THE PERIOD		**(78,365)**	**(33,237)**
Net actuarial gains and losses on retirement benefits	18	575	(57)
Income tax relating to items that may not be reclassified to net income		(424)	11
Items that may not be reclassified to net income		**151**	**(46)**
Currency translation differences		1,062	(2,998)
Changes in fair value of hedging instruments		(8,858)	14,329
Income tax relating to items that may be reclassified to net income		2,860	(355)
Equity-accounted investments – share of items that may be reclassified to net income	14	586	(50)
Items that may be reclassified to net income		**(4,351)**	**10,926**
OTHER COMPREHENSIVE INCOME (LOSS)		**(4,199)**	**10,879**
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		**(82,565)**	**(22,357)**
. Attributable to owners of the parent		(81 950)	(21,447)
. Attributable to non-controlling interests		(615)	(910)

1.4 Consolidated Interim Statement of Changes in Equity

(in € thousands)	Share capital	Additional paid-in capital	Reserve for retirement benefits	Hedging reserve	Foreign currency translation reserve[2)]	Other reserves	Owners of the parent	Non-controlling interests	TOTAL
At Dec. 31, 2020 - reported	**6,056**	**7,237**	**(4,041)**	**4,925**	**(6,289)**	**(144,601)**	**(136,713)**	**1,206**	**(135,507)**
Net income for the period						(77,494)	(77,494)	(871)	(78,365)
Other comprehensive income			148	(5,672)	1,069	-	(4,456)	256	(4,199)
Comprehensive income	**-**	**-**	**148**	**(5,672)**	**1,069**	**(77,494)**	**(81,950)**	**(615)**	**(82,565)**
Dividend distribution						0	0	(12)	(12)
Change in consolidation scope						-	-	2	2
Treasury share transactions						-	-	-	-
Other	0	-	-	-	-	(13)	(13)	1	(12)
At June 30, 2021	**6,056**	**7,237**	**(3,893)**	**(747)**	**(5,220)**	**(222,108)**	**(218,675)**	**583**	**(218,092)**

(in € thousands)	Share capital	Additional paid-in capital	Reserve for retirement benefits	Hedging reserve	Foreign currency translation reserve	Other reserves	Owners of the parent	Non-controlling interests	TOTAL
At Dec. 31, 2019 - reported	**6,056**	**7,237**	**(6,081)**	**(3,493)**	**(8,799)**	**(13,673)**	**(18,752)**	**2,187**	**(16,565)**
Net income for the period						(32,336)	(32,336)	(901)	(33,237)
Other comprehensive income			(46)	13,946	(3,011)	-	10,889	(9)	10,879
Comprehensive income	**-**	**-**	**(46)**	**13,946**	**(3,011)**	**(32,336)**	**(21,447)**	**(910)**	**(22,357)**
Dividend distribution						0	0	-	0
Change in consolidation scope						-	-	-	-
Treasury share transactions						(8)	(8)	-	(8)
Other	(0)	(0)	-	-	-	0	0	0	0
At June 30, 2020 - reported	**6,056**	**7,237**	**(6,127)**	**10,453**	**(11,809)**	**(46,017)**	**(40,207)**	**1,277**	**(38,930)**

1.5 Consolidated Interim Statement of Cash Flows

(in € thousands)	Note	June 30, 2021	June 30, 2020
Net income (loss) for the period		**(78,365)**	**(33,237)**
Net income (loss) from continuing operations		**(78,365)**	**(33,237)**
Adjustments for:			
Share of net income of equity-accounted investments	14	914	(941)
Depreciation, amortization and provisions		14,237	26,052
Gains or losses on disposals		(7,268)	(32,372)
Income from dividends		(59)	(2)
Net cash from operations before changes in working capital and after cost of debt and income tax		**(70,541)**	**(40,500)**
Income tax expense	9	2,277	2,571
Cost of net debt	8	3,779	2,229
Net cash from operations before changes in working capital and before cost of debt and income tax		**(64,486)**	**(35,701)**
Change in working capital requirements		(46,882)	(26,433)
Income tax paid (incl. French value-added business tax (CVAE))		(1,680)	(1,362)
Net cash flow from (used in) operating activities (A)		**(113,048)**	**(63,496)**
Acquisitions (disposals) of companies/operations net of cash acquired		11,272	(0)
Acquisition of property, plant and equipment and intangible assets		(11,400)	(6,790)
Acquisition of financial assets		(32)	(269)
Disposal of financial assets		43	(0)
Net change in advances and loans granted		(779)	(656)
Disposal of property, plant and equipment and intangible assets		608	41,884
Dividends received from equity-accounted investments and unconsolidated entities		59	205
Net cash flow from (used in) investing activities (B)		**(228)**	**34,374**
Dividends paid by the parent company		-	-
Dividends paid to non-controlling interests		(12)	-
Proceeds (payments) arising from the sale (purchase) of treasury shares		-	404
Proceeds from borrowings	17	40,438	61,703
Repayment of borrowings	17	(4,764)	(2,797)
Interest paid		(3,889)	(1,837)
Other financing transactions	17	(6,257)	3,816
Net cash from (used in) financing activities (C)		**25,516**	**61,289**
Effect of movement in exchange rates (D)		(2,380)	869
Reclassification under Assets / Liabilities held for sale (E)		(5,324)	
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS A+B+C+D+E		**(95,462)**	**33,036**

Opening cash and cash equivalents		**137,395**	**94,859**
Cash equivalents		37	80
Cash		47,713	133,586
Cash and cash equivalents		47,749	133,666
Bank overdrafts	17	(5,817)	(5,771)
Closing cash and cash equivalents		**41,932**	**127,895**
Attributable to continuing operations		41,932	127,895
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(95,462)**	**33,036**

1.6 Notes to the consolidated financial statements

On August 13, 2021, the Management Board approved and authorized publication of the condensed consolidated interim financial statements of the CNIM Group for the six-month period ended June 30, 2021.

CNIM Group SA (parent company) is a listed public limited company (*Société anonyme*) registered with the Nanterre Trade and Companies Register (RCS) under number 662 043 595. Its registered office has been located at 64, rue Anatole France, Levallois-Perret (92), France since March 15, 2021.

The consolidated financial statements are presented in thousands of euros rounded to the nearest thousand. As a result of rounding, there may be immaterial differences in the totals and sub-totals in the tables.

The notes are an integral part of the condensed consolidated interim financial statements for the six-month period ended June 30, 2021.

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NOTE 1 Basis for preparation and significant accounting policies

A. Applicable standards

CNIM's condensed consolidated financial statements for the six-month period ended June 30, 2021 have been prepared in accordance with IAS 34 "Interim Financial Reporting" and the International Financial Reporting Standards (IFRS) adopted by the European Union at June 30, 2021.

The complete body of standards adopted by the European Union can be consulted on the European Commission's website at the following address:

https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting_en

IAS 34 specifies that condensed consolidated interim financial statements do not need to include all information required under IFRS for consolidated financial statements. However, they should be read in conjunction with the Group's consolidated financial statements for the year ended December 31, 2020. The consolidated financial statements are presented in the 2020 Universal Registration Document, which was filed with the French securities market regulator (AMF) on May 25, 2021 (D.21-0481).

The accounting policies used to prepare the condensed consolidated interim financial statements are identical to those used by the Group at December 31, 2020, with the exception of the newly-adopted standards and interpretations that are applicable as of January 1, 2021, and the specific provisions of IAS 34 on condensed consolidated interim financial statements, as described below in Paragraph B.

In particular, the true and fair presentation, going concern and consistency of accounting policies principles have been applied.

a. New standards applicable as of January 1, 2021

The following standards, mandatory for accounting periods beginning on or after January 1, 2021, have no impact on the Group's consolidated financial statements:

- Amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16 "Interest Rate Benchmark Reform – Phase 2".

b. New IFRS adopted by the European Union but not yet applicable

There are no new IFRS that have been adopted by the European Union and are not yet applicable.

c. Standards not yet adopted by the European Union

The following standards have not yet been adopted by the European Union:

- Amendment to IFRS 16: "Covid-19-Related Rent Concessions Beyond 30 June 2021";
- Amendments to IFRS 3: "Reference to the Conceptual Framework";
- Amendments to IAS 16: "Proceeds before Intended Use";
- Amendments to IAS 37: "Onerous Contracts";
- Annual Improvements to IFRS – 2018 - 2020 Cycle;
- Amendments to IAS 1: "Classification of Liabilities as Current or Non-current" and "Disclosure of Accounting Policies";
- Amendments to IAS 8: "Definition of Accounting Estimates";
- Amendments to IAS 12: "Deferred Tax related to Assets and Liabilities arising from a Single Transaction".

The Group does not expect the implementation of these standards to have a material impact on the consolidated financial statements.

B. Going concern

Management has prepared and approved the Group's consolidated financial statements on a going concern basis for a minimum period of twelve months from the date of the financial statements.

At June 30, 2021, as a result of significant losses recognized in previous reporting periods, the Group had negative equity of €219 million and net debt (defined as financial liabilities net of cash and cash equivalents) of €269 million.

Given the circumstances, Management has based its assumption of going concern on:

- The signing of the conciliation protocol by all parties involved and its approval by the Commercial Court on July 30 and August 13, 2021 respectively, confirming the measures described in Note 2 "Significant events of the period";
- Government support, confirmed by the implementation of a loan, which was increased from €40 million to €125 million under the conciliation protocol;
- The completion of several divestments, including those underway (O&M and Biomasse) and those planned as part of the financial backing program;
- 12-month cash flow projections, which show a sufficient level of cash flow to cover the Group's current commitments, business prospects and planned divestments.

The cash flow projections were based on a contract-by-contract analysis of key payment milestones (both for trade receivables and trade accounts payable) for contracts in progress and assumptions of new order intake. The timing of cash flows was determined based on Management's best estimate but includes the inherent risk of cash inflows not taking place on a given date, or cash outflows being underestimated. Although the approval of the conciliation protocol and the Group's strategic refocusing are positive steps towards recovery, the difficulties currently experienced by the Group have resulted in significant uncertainties with regard to its ability to win new contracts and perform ongoing contracts as estimated, which is like to affect cash flow forecasts.

The financing provided by the French government is subject to approval by the European Commission in line with State aid rules.

It is in this context that Management has prepared and approved the Group's consolidated financial statements on a going concern basis.

C. Accounting policies and bases of measurement used by the Group for interim financial reporting

Retirement and related employee benefits

No full actuarial calculations were performed at the reporting date of the condensed consolidated interim financial statements.

The expense recognized for the period for retirement and other employee benefits reflects the estimated expense for the year reported on a pro rata basis, calculated on the basis of the actuarial assumptions at December 31, 2020.

The effects of changes in actuarial assumptions for the period relating to post-employment benefits (discount rate and long-term inflation rate), have no material impact on the Group's financial statements.

NOTE 2 Significant events of the period

New conciliation procedure

Financial year 2020 was marked by the COVID-19 pandemic and other difficulties encountered in the performance of turnkey plant contracts. The losses incurred and cash advances used on contracts, which were not offset by the acquisition of major new contracts, increased the Group's 2021 cash requirements, making it necessary to continue the financial restructuring initiated with the first conciliation protocol approved by the French Commercial Court in May 2020.

Consequently, in agreement with its creditors, the Group initiated a second conciliation procedure, resulting in the signing of a protocol by all parties involved on May 21, 2021.

The protocol, which was subject to certain conditions precedent, including approval by the French Commercial Court, primarily provided for the following:

- Grant of a new long-term €40 million loan from the French government,
- Conversion of the Group's existing financial debt of €163 million into bonds redeemable in shares, qualifying as equity instruments under IFRS,
- Partial repayment, approximately €38 million, of other medium-term debt through the transfer of 49% of LAB securities to Martin Gmbh (valued at €16 million) and the use of proceeds from the divestment of O&M business for €22 million,
- The rescheduling of repayments of the balance of other medium-term debt (approximately €29 million), over 2.5 years,
- The issue of a new line of bank guarantees for over €200 million.

After signing the protocol and before it was approved by the French Commercial Court, the Group announced a decline in its operating results in a press release dated June 16, 2021. In particular this was due to:

- difficulties in winning turnkey plant contracts within the timeframe set out in the Group's business plan, as customers perceived the Group as being financially unstable;
- cost overruns and provisions for additional late performance penalties on ongoing EPC contracts due to the emergence of the UK variant of COVID-19, Brexit, higher raw material prices, longer performance times, cost overruns on sub-contracted projects, and a technical incident on a plant delivered in December 2020.

As a result of these new challenges, the Group has:

- refocused the strategic positioning of the E&E EPC business division on partnerships and/or projects involving waste-to-energy process and technology provision, with the aim of winning new contracts;
- resumed discussions with the French government and the Group's creditors to amend the protocol signed on May 21, 2021 and secure financing in 2022 and beyond.

The amended protocol was signed on June 30, 2021 by all parties involved and approved by the French Commercial Court on August 13, 2021. There were four main changes to the version dated May 21, 2021:

- The long-term loan granted by the French government was increased from the initial €40 million to €125 million;

- The Group's existing financial debt of €163 million was waived with a return to profitability clause providing for repayment to creditors instead of conversion into bonds redeemable in shares (ORA);
- A limit of 20% of proceeds from the divestment of O&M business was set for repayment of medium-term debt;
- CNIM has undertaken to implement a financial backing program in the coming year. This program may result in a change of control or asset disposals to enable the Group to continue operating and reduce outstanding amounts due to creditors.

In summary, in addition to the financial backing program, the amended protocol provides for the following:

		Type	Principal amount (in € millions)	Interest rate	Maturity/ effective date	Counterparty
New long-term loan	(1)	Financing	125.0	4.75%	10 years	Government
Waiver of existing financial debt with return to profitability clause	(2)	Debt waiver	163.0	-	-	Banking consortium and Martin GmbH
Restructuring of MT financing	(3)		43.8			Banking consortium, Government
Of which repayment on divestment of O&M (excluding MESE)		*Repayment*	*10.0*	-	-	
Of which rescheduling		*Rescheduling*	*33.8*	*Eurib+6%*	*2.5 years*	
Bond restructuring	(4)		45.0			Martin GmbH
Of which waiver (included in point 2)		*Waiver*	*20.0*	-	-	
Of which rescheduling		*Rescheduling*	*8.7*	5%	*2.5 years*	
Of which redemption in LAB shares		*Repayment*	*16.3*	-	-	
New bank guarantees	(5)	Guarantee	166.4	-	June 30, 2022	Banking consortium and insurers

(1) On March 25, 2021, the French government granted a six-month bridge loan of €40 million in rescue aid granted by the development fund (FDES), bearing interest at Euribor plus 4% (zero floor). This loan will be replaced, subject to approval by the European Commission, by a long-term loan of the same principal amount plus €80 million, maturing in 10 years, which may be drawn down in three tranches between September 2021 and February 2022, with a grace period of two years.

(2) Waiver of existing financial debt, including the syndicated RCF and Exensor medium-term loan (for €138 million), the Martin GmbH bond (for €20 million) and certain bank overdrafts, with a return to profitability clause under which creditors shall receive all surplus from divestment/liquidation and 20% of the Group's consolidated net income upon full repayment of the medium-term and long-term loans, for a maximum period of 30 years as of the effective date of the protocol.

(3) Repayment of the medium-term loan granted by the government (development fund) and the banking consortium was not due at April 30, 2021. The loans will be amortized on a straight-line basis and at each quarter as of December 11, 2021 and settled on September 11, 2023.

The proceeds from the sale of Bertin IT was allocated, in the amount of €2 million, to repaying the principal amount of these loans. 30% of the proceeds from the sale of CNIM's O&M and Biomasse business, scheduled for 2021, will be allocated to repaying the principal amount of these loans.

(4) The Martin Gmbh bond will be waived under the aforementioned conditions for €20 million (considered equal to the amount of existing debt).

CNIM will increase the share capital of LAB by €16.3 million (based on the 2020 financial statements of LAB, adjusted at the reporting date) for Martin GmbH in exchange for the settlement of an equivalent amount of the bond.

Following this transaction, GmbH will obtain a 49% minority stake in LAB, over which CNIM will maintain control under IFRS.

Amortization of the outstanding balance of the bond amounting to €8.7 million will be rescheduled and recognized on a straight-line basis at each quarter as of June 11, 2022, to be fully repaid by September 11, 2023.

(5) These bank guarantees cover the performance bonds that the Group is required to provide to enter into the construction contracts forecast in the business plan for 2021 and early 2022. The maturity/effective date indicated in the table above refers to the date the guarantee may be called. These bank guarantees supplement existing guarantees on ongoing contracts.

Under the terms of the protocol, existing trusts and bank guarantees will be subject to the usual default clauses, as well as cross default clauses relating to Soluni, the holding company with a majority stake in CNIM Group. The cross default clauses relating to Soluni cover four scenarios: Soluni (i) decides to no longer support CNIM's financial restructuring, (ii) defaults on its payment obligations on financial debt, (iii) is subject to a court-ordered insolvency procedure (*procédure collective*) and (iv) initiates legal proceedings to prevent or delay the repayment of its financial debt or call into question the validity or effectiveness of the guarantees it granted.

Divestment of several business activities

As part of its financial restructuring and the financial backing and divestment program, the Group sold its Bertin IT business.

(in € millions)	Date	Proceeds from disposals net of transaction costs	Accounting gains or losses
Bertin IT business	June	9.9	5.4

As specified in Note 3 "Assets held for sale", the process to sell the O&M and Biomasse business was being finalized at June 30, 2021.

Transfer of the Group's registered office

On March 15, 2021, the Group transferred its registered office to 64, rue Anatole France - 92300 Levallois Perret.

Signing of the "EPC" trust agreement

On February 22, 2021, the Group signed the "EPC" trust agreement with CNIM Group as Settlor and Beneficiary, Equitis Gestion as Trustee, Crédit Lyonnais as Protector, the Secured Creditors as Beneficiaries and CNIM Environnement & Energie EPC as the Company.

NOTE 3 Assets held for sale

(in € thousands)	O&M	Biomasse	June 30, 2021	Dec. 31, 2020
Intangible assets	60	-	**60**	2,843
Goodwill	-	-	**-**	0
Property, plant and equipment	1,672	-	**1,672**	1,977
Right-of-use assets	13	-	**13**	303
Equity-accounted investments	-	1,863	**1,863**	1,863
Other non-current financial assets	2,482	9,918	**12,400**	12,359
Deferred tax assets	3,376	-	**3,376**	2,885
NON-CURRENT ASSETS	**7,603**	**11,781**	**19,384**	**22,230**
Inventories and work in progress	1,657	-	**1,657**	1,806
Advances and down payments made on orders	524	-	**524**	367
Trade and other receivables	25,252	-	**25,252**	24,425
Accrued income from contracts in progress	2,404	-	**2,404**	4,373
Social security and tax receivables	3,515	-	**3,515**	6,238
Other current operating assets	893	-	**893**	2,409
Cash and cash equivalents	15,418	-	**15,418**	10,099
CURRENT ASSETS	**49,663**	**-**	**49,663**	**49,716**
TOTAL ASSETS HELD FOR SALE	**57,266**	**11,781**	**69,047**	**71,946**

(in € thousands)	O&M	Biomasse	June 30, 2021	Dec. 31, 2020
Borrowings and debt	-	-	**-**	60
Non-current lease liabilities	0	-	**0**	227
Provisions for retirement and other employee benefits	1,713	-	**1,713**	2,824
Other non-current provisions	100	-	**100**	675
Deferred tax liabilities	375	-	**375**	286
NON-CURRENT LIABILITIES	**2,188**	**-**	**2,188**	**4,072**
Current financial liabilities	-	-	**-**	65
Current lease liabilities	2	-	**2**	82
Current provisions	3,936	-	**3,936**	4,428
Trade and other payables	12,435	-	**12,435**	12,960
Deferred income from contracts	6,931	-	**6,931**	7,748
Social security and tax payables	6,373	-	**6,373**	9,689
Other current operating liabilities	931	-	**931**	451
CURRENT LIABILITIES	**30,606**	**-**	**30,606**	**35,424**
LIABILITIES HELD FOR SALE	**32,794**	**-**	**32,794**	**39,497**

NET ASSETS	**24,471**	**11,781**	**36,252**	**32,450**

At December 31, 2020, as part of its financial restructuring and the financial backing and divestment program, the Group undertook the following divestments:

- In the Environment & Energy operating segment,
  - O&M, which brings together the subsidiaries specialized in the operation and maintenance of waste-to-energy processing plants;
  - Biomasse, which includes non-controlling interests in the project companies Kogeban and CBEM, and operating company Picardie Biomasse Energie;
- In the Innovation & Systems operating segment, the Bertin IT business.

These three divestments together account for annual revenue of approximately €85 million, 680 employees and an overall debt free / cash free enterprise value of €76 million.
Bertin IT and Vecsys assets were sold in June 2021 to ChapsVision.

On July 30, 2021 (after the reporting date), the Group finalized the sale of the O&M business in France and Azerbaijan to the Paprec Group for €29.5 million net of transaction costs.

Biomasse

The Group entered into exclusive negotiations with the investment fund PEARL Infrastructure Capital for the sale of the biomass business of the Akuo Group in mainland France, which includes CNIM Group's non-controlling interests in the project companies Kogeban and CBEM, and operating company Picardie Biomasse Energie. The sale was finalized at the start of July for CBEM and the operating company Picardie Biomasse Energie.

NOTE 4 Consolidation scope

Changes in the Group's consolidation scope in the first six months of 2021 were as follows:

Company	Headquarters	Consolidation method at Dec. 31, 2020	% control at Dec. 31, 2020	Type of change
Innovation & Systems				
AMI Enterprise Intelligence Software Ltd (Go Albert UK)	United Kingdom	Fully consolidated	100%	Deconsolidated
Bertin IT	France	Fully consolidated	100%	Deconsolidated
Go Albert Africa	Morocco	Fully consolidated	99.90%	Deconsolidated
Vecsys	France	Fully consolidated	99.38%	Deconsolidated

NOTE 5 Segment information

Information by operating segment

IFRS segment information reviewed by the Group's chief operating decision maker is presented below.

(in € thousands)	Environment & Energy		Innovation & Systems		Other		TOTAL	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Revenue	177,171	197,632	89,861	80,805	545	205	267,578	278,643
Operating income	(68,281)	(22,863)	7,503	(22,302)	(8,504)	23,027	(69,281)	(22,138)
Share of net income of equity-accounted investments	(914)	514	-	427	-	-	(914)	941
Operating income after share of net income of equity-accounted investments	(69,195)	(22,348)	7,503	(21,875)	(8,504)	23,027	(70,195)	(21,197)

(in € thousands)	Environment & Energy		Innovation & Systems		Other		Total	
	June 30, 2021	Dec. 31, 2020	June 30, 2021	Dec. 31, 2020	June 30, 2021	Dec. 31, 2020	June 30, 2021	Dec. 31, 2020
Intangible assets	1 177	1 631	23 968	22 066	1 190	1 305	26 335	25 002
Goodwill	31 717	31 717	31 072	31 167	-	-	62 789	62 884
Property, plant and equipment	8 437	8 421	31 364	26 221	17 868	18 723	57 669	53 364
Right-of-use assets	5 006	5 972	6 060	6 753	5 778	5 891	16 844	18 616
Other non-current financial assets	2 633	2 356	509	1 313	1 539	1 505	4 682	5 174

Breakdown of revenue by geographic area

The geographical breakdown is based on the country in which contracts are performed.

(in € thousands)	June 30, 2021				June 30, 2020			
	France	United Kingdom	Rest of the world	Total	France	United Kingdom	Rest of the world	Total
Revenue	112,246	56,597	98,734	267,578	116,961	76,975	84,706	278,643

(in € thousands)	June 30, 2021				Dec. 31, 2020			
	France	United Kingdom	Rest of the world	Total	France	United Kingdom	Rest of the world	Total
Intangible assets	22,731	(0)	3,604	26,335	20,950	(0)	4,053	25,002
Property, plant and equipment	47,262	73	10,333	57,669	43,105	82	10,177	53,364
Right-of-use assets	15,514	122	1,208	16,844	16,932	155	1,530	18,616
Other non-current financial assets	3,370	0	1,311	4,682	4,192	(114)	1,097	5,174

NOTE 6 Revenue

A. Breakdown of revenue

The Group's revenue per business division breaks down as follows:

(in € thousands)	June 30, 2021	June 30, 2020
EPC	114,885	128,695
LAB	16,917	17,939
Services	12,257	16,972
O&M	33,113	34,026
Environment & Energy	**177,171**	**197,632**
Industrial Systems Division	42,377	43,080
Bertin	47,484	37,725
Innovation & Systems	**89,861**	**80,805**
Other	**545**	**205**
GROUP TOTAL	**267,578**	**278,643**

The breakdown matches the segment information for revenue presented in Note 5, in accordance with IFRS 8.

The Group's two operating segments have very different activities:

- Environment & Energy: energy offering for all business activities, with turnkey contracts, waste-to-energy plant operations, and service agreements;
- Innovation & Systems: mechanics, optics and electromechanics offering, with research and development, software design, development and production, and small or medium-sized production runs.

Four business divisions have been defined within the Environment & Energy operating segment:

- EPC – Turnkey plants
- LAB
- Services
- O&M

Two business divisions have been defined within the Innovation & Systems operating segment:

- Industrial Systems division
- Bertin and subsidiaries

The EPC division designs and manufactures "turnkey" biomass and household waste-to-energy processing plants. CNIM uses proprietary technologies that meet the most stringent standards in terms of performance and control of environmental impacts, with a multi-disciplinary approach.

The LAB division offers flue gas treatment systems for waste-to-energy plants, flue-gas scrubbing systems for merchant ship engines, and related services.

The Services division offers the optimization, maintenance and refurbishment of biomass and household waste-to-energy production plants and combustion plants.

The O&M division operates and maintains biomass and household waste-to-energy production plants and systems for the removal and recovery of heavy metals from incinerator ash residues.

The Industrial Systems division provides a unique offer for the development, production, installation and maintenance of innovative equipment and systems. It also executes manufacturing subcontracting agreements for various cutting-edge industries.

The Bertin & Subsidiaries division works in three business lines: Systems & instrumentation, Information technologies and Consulting, engineering and innovative solutions for energy and the environment, industry and the territories.

CNIM Group's contracts with customers generally only have one service obligation. Revenue is recognized on a percentage-of-completion basis insofar as the CNIM Group provides specific equipment, control of which is gradually transferred to the customer, or it provides services from which the customer benefits as they are performed. Percentage of completion is generally based on costs.

In the O&M division, revenue is measured based on the amount CNIM has the right to invoice. When the contract provides for a "Major Maintenance and Renovation" obligation, revenue for this obligation is recognized separately from the "Operating" service obligation.

The sale of the O&M and Biomass business was underway at June 30, 2021 (see Note 3).

B. Backlog

Group backlog reflects revenue to be recognized when outstanding performance obligations are satisfied (in particular following the receipt of service orders or when suspensive conditions are fulfilled) and financed.

Change in backlog over the period was as follows:

(in € thousands)	Dec. 31, 2020	Order intake	Revenue	Change in scope	June 30, 2021
Environment & Energy	901,124	97,767	177,171	-	821,719
Innovation & Systems	295,177	84,832	89,861	(9,558)	280,589
Other	-	545	545	-	-
TOTAL	**1,196,301**	**183,143**	**267,578**	**(9,558)**	**1,102,308**

NOTE 7 Non-recurring operating income and expenses

(in € thousands)	June 30, 2021	June 30, 2020
Gains or losses from disposals of business operations or groups of assets	5,279	32,503
Reorganization, restructuring or adaptation costs	(8,231)	(5,663)
Impairment	(326)	(13,556)
Other	157	(268)
NON-RECURRING OPERATING INCOME (EXPENSE)	**(3,121)**	**13,016**

Transactions of material amounts that do not contribute to recurring operating performance are classified under other operating income and other operating expenses.

They may include:

- gains or losses from disposals of business operations or groups of assets;
- acquisition and integration costs relating to business combinations;
- restructuring costs resulting from restructuring plans whose unusual and significant nature may hinder the clarity of recurring operating income;
- impairments of property, plant and equipment or intangible assets of material amounts;
- estimated or actual costs relating to factors independent of operating effectiveness such as political decisions.

At June 30, 2021, the Group recognized the following items under non-recurring operating income (expense):

- gains from the disposal of Bertin IT and Vecsys for €5.3 million;
- costs relating to the Group's financial restructuring;
- asset impairment relating to "Geodur" assets.

At June 30, 2020, the Group recognized, under non-recurring operating income (expense), the gains from asset disposals in the first six months of 2020, primarily those relating to the sale of the Group's registered office premises in Paris, impairment of an equity-accounted investment prior to its reclassification under assets held for sale, impairment of Industrial Systems and Bertin Division goodwill, and the costs relating to the Group's financial restructuring.

NOTE 8 Financial income and expenses

(in € thousands)	June 30, 2021	June 30, 2020
Interest income from cash equivalents	72	70
Other interest and similar income	786	222
Interest and financial expense (1)	(4,637)	(2,520)
Cost of net debt	**(3,779)**	**(2,229)**
Foreign exchange gains	10,835	6,651
Foreign exchange losses	(11,060)	(13,641)
Foreign exchange gains (losses)	**(225)**	**(6,990)**
Other financial income and expenses (2)	(1,889)	(251)
FINANCIAL INCOME (EXPENSE)	**(5,893)**	**(9,470)**

(1) Of which €143.4 thousand in interest expense relating to lease liabilities.
(2) Of which, primarily, cost overruns relating to guarantees.

NOTE 9 Income tax expense

A. Breakdown of current/deferred tax

(in € thousands)	June 30, 2021	June 30, 2020
Current tax	(1,564)	(2,345)
Deferred tax	(712)	(225)
INCOME TAX EXPENSE	**(2,277)**	**(2,570)**

B. Reconciliation of effective and theoretical income tax expense

(in € thousands)	June 30, 2021	June 30, 2020
Operating income (loss)	(69,281)	(22,138)
Financial income (expense)	(5,893)	(9,470)
Consolidated pretax income	**(75,174)**	**(31,608)**
Tax rate effective in France	28.41%	32.02%
Theoretical income tax expense at the tax rate effective in France	**21,357**	**10,121**
Effect of differences in local income tax rates	(3,745)	618
Effect of tax loss carryforwards (3)	(19,670)	(9,425)
Taxes not levied on a specific tax base (1)	(256)	(825)
Tax credits (2)	1,489	1,835
Non-deductible taxes	(73)	-
Other permanent differences (4)	(1,405)	(5,031)
Other	26	137
Effective income tax expense	**(2,277)**	**(2,571)**
Effective income tax rate	**-3.03%**	**-8.13%**

(1) Mainly French value-added business tax (CVAE).
(2) Effect of tax credits recognized in operating income and exempt from tax.
(3) Relating to unrecognized tax consolidation losses in France.
(4) In 2021, mainly due to the positive impact of gains on disposals and the negative impact of non-deductible financial expenses.
In 2020, mainly due to the impairment of Industrial Systems and Bertin Division goodwill.

NOTE 10 Earnings per share

Basic earnings per share

(in € thousands)	June 30, 2021	June 30, 2020
Net income attributable to owners of the parent	(77,494)	(32,336)
Weighted average number of ordinary shares (1)	2,826,948	2,825,322
Earnings per share (€)	**(27.41)**	**(11.45)**

(1) Number of shares excluding treasury shares (see Note 16). There are no dilutive equity instruments.

Diluted earnings per share

(in € thousands)	June 30, 2021	June 30, 2020
Net income attributable to owners of the parent	(77,494)	(32,336)
Weighted average number of ordinary shares (1)	2,826,948	2,825,322
Weighted average number of ordinary shares used to calculate diluted earnings per share	2,826,948	2,825,322
Diluted earnings per share (€)	**(27.41)**	**(11.45)**

(1) Number of shares excluding treasury shares (see Note 16). There are no dilutive equity instruments.

NOTE 11 Intangible assets

(in € thousands)	Dec. 31, 2020	Acquisitions / Increases / Additions	Disposals / Decreases / Reversals	Translation differences and other	June 30, 2021
Capitalized development costs	41,795	766	-	15,988	41,994
Concessions, patents and licenses	10,372	129	(83)	514	10,458
Other intangible assets	22,957	379	(598)	539	22,726
Intangible assets in progress	15,490	2,557	-	182	18,229
Gross value	**90,614**	**3,832**	**(681)**	**17,223**	**93,408**
Capitalized development costs	(35,906)	(841)	-	(13,735)	(36,697)
Concessions, patents and licenses	(9,479)	(143)	47	(470)	(9,610)
Other intangible assets	(19,512)	(851)	298	(38)	(20,051)
Intangible assets in progress	(715)	-	-	-	(715)
Amortization / impairment	**(65,612)**	**(1,835)**	**344**	**(14,244)**	**(67,072)**
Capitalized development costs	5,889	(75)	-	2,253	5,297
Concessions, patents and licenses	893	(13)	(37)	44	849
Other intangible assets	3,445	(472)	(300)	500	2,675
Intangible assets in progress	14,776	2,557	-	182	17,515
CARRYING AMOUNT	**25,002**	**1,997**	**(337)**	**2,979**	**26,335**

(in € thousands)	Dec. 31, 2019	Acquisitions / Increases / Additions	Disposals / Decreases / Reversals	Translation differences and other	Reclassified to assets held for sale	Dec. 31, 2020
Development costs	52,494	2,892	-	2,443	(16,033)	41,795
Concessions, patents and licenses	11,048	100	(267)	(35)	(474)	10,372
Other intangible assets	26,653	1,206	(4,433)	273	(741)	22,957
Intangible assets in progress	11,212	3,345	(447)	1,381	-	15,490
Gross value	**101,406**	**7,542**	**(5,147)**	**4,062**	**(17,248)**	**90,614**
Development costs	(44,871)	(4,552)	-	(268)	13,785	(35,906)
Concessions, patents and licenses	(9,980)	(265)	267	62	436	(9,479)
Other intangible assets	(21,951)	(1,019)	3,423	(149)	184	(19,512)
Intangible assets in progress	(715)	(155)	-	155	-	(715)
Amortization/impairment	**(77,517)**	**(5,991)**	**3,690**	**(199)**	**14,405**	**(65,612)**
Development costs	7,623	(1,661)	-	2,175	(2,248)	5,889
Concessions, patents and licenses	1,068	(165)	-	28	(38)	893
Other intangible assets	4,702	188	(1,010)	124	(558)	3,445
Intangible assets in progress	10,497	3,189	(447)	1,536	-	14,776
CARRYING AMOUNT	**23,889**	**1,551**	**(1,457)**	**3,863**	**(2,843)**	**25,002**

NOTE 12 Goodwill

A. Changes over the period

(in € thousands)	June 30, 2021	June 30, 2020
Opening carrying amount	**62,884**	**72,752**
Foreign currency translation adjustments(1)	(95)	(192)
Goodwill impairment(2)	-	(10,000)
Other(3)	-	(620)
Period-end carrying amount	**62,789**	**61,940**

(1) Adjustment of goodwill for Exensor.
(2) In 2020, impairment of goodwill of the Bertin Systems & Advisory, Bertin IT and Industrial Systems Division CGUs.
(3) Reclassification of Bertin Energie Environnement goodwill under "Assets held for sale" (see Note 3).

B. Breakdown by CGU (Cash Generating Unit)

(in € thousands)	June 30, 2021			Dec. 31, 2020		
	Gross amount	Impairment	Carrying amount	Gross amount	Impairment	Carrying amount
Environment & Energy – Construction CGU	31,171	-	**31,171**	31,171	-	31,171
Environment & Energy - Services/CBS CGU	546	-	**546**	546	-	546
Environment & Energy	**31,717**	**-**	**31,717**	**31,717**	**-**	**31,717**
Bertin Systems & Advisory CGU	35,903	(4,832)	**31,072**	36,000	(4,832)	31,168
Bertin IT CGU (1)	-	-	**-**	-	-	-
Industrial Systems Division CGU	4,010	(4,010)	**-**	4,010	(4,010)	(0)
Innovation & Systems	**39,913**	**(8,841)**	**31,072**	**40,009**	**(8,842)**	**31,167**
TOTAL	**71,630**	**(8,841)**	**62,789**	**71,726**	**(8,842)**	**62,884**

C. Impairment tests

The Group tested its Cash Generating Units for impairment using the same discount rate and long-term growth assumptions as at December 31, 2020.

Discount rate and long-term growth assumptions used:

Discount rate by CGU	Dec. 31, 2020	Dec. 31, 2019
Environment & Energy – Construction CGU	13.1%	9.5%
Bertin Systems & Advisory CGU	11.0%	9.0%
Bertin IT CGU	10.9%	8.9%
Industrial Systems Division CGU	11.6%	8.4%

The Group used a perpetual growth rate of 2% for calculating value in use, unchanged compared with December 31, 2019 and December 31, 2020.

Other assumptions and sensitivity

Environment & Energy CGU

The recoverability of goodwill is based on the key assumption of an annual order intake of two "combustion train" contracts, plus a small project. This assumption is in line with the strategy to refocus EPC business on the combustion process decided in June 2021. The aim is to limit the Group's commitment and liability with regard to plant delivery given the difficulties encountered in signing new major EPC contracts including a civil engineering component, as a result of its fragile financial position.

This assumption should be confirmed or invalidated based on sales buoyancy over the coming months.

Insufficient sales may result in the impairment of EPC goodwill at December 31, 2021.

Bertin Systems & Advisory CGU

At the interim reporting date (June 30, 2020), an impairment loss of €4.8 million was recognized for this CGU based on the existing business plan and a discount rate of 10.25%.

Following the impairment test performed for year-end reporting, based on updated assumptions, no further impairment was recognized.

Given the improvement in forecasts for this CGU, no additional impairment would be recognized if the following assumptions were used:

- a discount rate increased by 50 basis points;
- a growth rate decreased by 100 basis points;
- normative operating income decreased by 10%.

The calculation of the value in use of this CGU is primarily based on the assumption of normative research tax credit income of €5 million. A 30% decrease with regard to this assumption (in a normative financial year) would not lead to goodwill impairment of the CGU.

Industrial Systems Division CGU

At the interim reporting date (June 30, 2020), an impairment loss of €4 million, representing the full amount of goodwill, was recognized for this CGU based on the existing business plan and a discount rate of 9.65%.

At June 30, 2021, the calculation of the value in use of this CGU was primarily based on the assumption of a return to profitability (in a normative financial year), with an estimated operating profit margin of 9% of revenue, achieved by strategically refocusing on more profitable, less risky activities.

The value in use of this CGU is sensitive to the following assumptions:

- a discount rate increased by 50 basis points: additional impairment of €1.4 million;
- a growth rate decreased by 100 basis points: additional impairment of €3.9 million;
- normative operating income decreased by 10%: additional impairment of €2.4 million.

NOTE 13 Property, plant and equipment

	Dec. 31, 2020	Acquisitions / Increases / Additions	Disposals / Decreases / Reversals	Translation and other adjustments	June 30, 2021
Land	8,386	-	-	157	8,542
Buildings	44,436	2,303	-	4,197	50,693
Technical facilities, equipment and tooling	65,585	1,711	(288)	1,696	68,700
Other property, plant and equipment	34,395	235	(499)	1,274	34,588
PP&E in progress and advances and down payments	14,912	3,182	-	(5,301)	12,793
Gross value	**167,714**	**7,431**	**(787)**	**2,023**	**175,317**
Land	(299)	(4)	-	-	(303)
Buildings	(30,490)	(790)	-	(192)	(31,416)
Technical facilities, equipment and tooling	(54,593)	(1,287)	281	(383)	(55,978)
Other property, plant and equipment	(28,966)	(944)	370	(950)	(29,952)
PP&E in progress and advances and down payments	-	-	-	-	-
Accumulated depreciation and impairment	**(114,349)**	**(3,025)**	**651**	**(1,525)**	**(117,649)**
Land	8,087	(4)	-	157	8,240
Buildings	13,946	1,514	-	4,005	19,277
Technical facilities, equipment and tooling	10,992	424	(7)	1,313	12,722
Other property, plant and equipment	5,429	(710)	(129)	324	4,637
PP&E in progress and advances and down payments	14,912	3,182	-	(5,301)	12,793
CARRYING AMOUNT	**53,364**	**4,406**	**(136)**	**499**	**57,669**

(in € thousands)	Dec. 31, 2019	Acquisitions / Increases / Additions	Disposals / Decreases / Reversals (1)	Translation and other adjustments	Reclassified to assets held for sale	Dec. 31, 2020
Land	8,552	2	(90)	(78)	-	8,386
Buildings	43,872	508	60	994	(997)	44,436
Technical facilities, equipment and tooling	81,297	1,606	(14,077)	(330)	(2,912)	65,585
Other property, plant and equipment	34,618	409	(495)	2,019	(2,156)	34,395
PP&E in progress and advances and down payments	11,812	11,622	(1,366)	(7,148)	(7)	14,912
Gross value	**180,151**	**14,147**	**(15,968)**	**(4,544)**	**(6,072)**	**167,714**
Land	(292)	(7)	-	-	-	(299)
Buildings	(29,786)	(1,749)	258	74	712	(30,490)
Technical facilities, equipment and tooling	(69,262)	(3,081)	13,581	2,478	1,690	(54,593)
Other property, plant and equipment	(27,242)	(2,528)	516	(1,404)	1,693	(28,966)
PP&E in progress and advances and down payments	(1,389)	-	1,366	23	-	-
Accumulated depreciation and impairment	**(127,972)**	**(7,365)**	**15,722**	**1,170**	**4,096**	**(114,349)**
Land	8,260	(5)	(90)	(78)	-	8,087
Buildings	14,086	(1,241)	318	1,067	(285)	13,946
Technical facilities, equipment and tooling	12,035	(1,475)	(496)	2,148	(1,221)	10,992
Other property, plant and equipment	7,376	(2,120)	21	614	(463)	5,429
PP&E in progress and advances and down payments	10,423	11,622	(0)	(7,125)	(7)	14,912
CARRYING AMOUNT	**52,180**	**6,782**	**(247)**	**(3,373)**	**(1,977)**	**53,364**

(1) In 2020, primarily on the "Geodur" business.

NOTE 14 Equity-accounted investments

A. Year-on-year change

(in € thousands)	June 30, 2021	June 30, 2020
At January 1	**5,331**	**25,491**
Share of net income of equity-accounted investments	(914)	941
Foreign currency translation differences	0	(527)
Dividends	-	(203)
Change in consolidation scope [3]	-	-
Share of items that can be reclassified to other comprehensive income [1]	586	(50)
Other [2]	64	(2,665)
Reclassified to assets held for sale [4]	(0)	(15,092)
At June 30	**5,066**	**7,896**

(1) Change in the fair value of derivative instruments designated as interest rate hedges.
(2) In 2020, change in receivables relating to equity-accounted investments sold in 2020.
(3) In 2020, disposal of CNIM Development, Dudley Waste Services Ltd, Hanford Waste Services Holding Ltd, Wolverhampton Waste Services Ltd and Technoplus Industries.
(4) In 2020, reclassification of the share of Picardie Biomasse Energie equity under 'Assets held for sale' in accordance with IFRS 5.

B. Breakdown of equity-accounted investments

(in € thousands)	% interest		Share of equity		Share of net income	
	June 30, 2021	Dec. 31, 2020	June 30, 2021	Dec. 31, 2020	June 30, 2021	June 30, 2020
CNIM Development [1]	-	0.00	-	-	-	122
CCUAT	49.88	49.88	74	75	-	-
CSBC	50.00	50.00	3	3	-	-
Dudley Waste Services Ltd (DWS Ltd) [1]	-	0.00	-	-	-	191
Hanford Waste Services Holding Ltd (HWS Ltd) [1]	-	0.00	-	-	-	193
Technoplus Industries [1]	-	0.00	-	-	-	427
Wolverhampton Waste Services Ltd (WWS Ltd) [1]	-	0.00	-	-	-	274
Ello [2]	28.34	28.34	4,989	5,254	(914)	(303)
Picardie Biomasse Energie [3]	44.95	44.95	-	-	-	38
TOTAL			**5,066**	**5,331**	**(914)**	**941**

(1) Companies sold in 2020.

(2) Share of equity including the loan relating to the equity interest, adjustment of internal margin, and impairment of €3,125 thousand recognized at December 31, 2018.

(3) Reclassified under 'Assets held for sale' in accordance with IFRS 5 in 2020 and 2021.

C. Financial information - 100% of equity-accounted investments

(in € thousands)	Revenue		Net income for the period		Balance sheet total		Borrowings and debt[2]	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020	June 30, 2021	Dec. 31, 2020	June 30, 2021	Dec. 31, 2020
CNIM Development [1]	-	-	-	854	-	-	-	-
CCUAT	-	-	(0)	-	152	153	-	-
CSBC	-	-	-	-	37	35	23	22
Dudley Waste Services Ltd (DWS Ltd) [1]	-	5,726	-	850	-	-	-	-
Hanford Waste Services Holding Ltd (HWS Ltd) [1]	-	9,964	-	1,335	-	-	-	-
Technoplus Industries [1]	-	1,227	-	1,227	-	-	-	-
Wolverhampton Waste Services Ltd (WWS Ltd) [1]	-	6,389	-	941	-	-	-	-
Ello	2,233	1,538	(1,809)	(594)	61,155	60,207	59,902	59,509
Picardie Biomasse Energie [3]	-	15,118	-	84	20,433	20,433	8,204	8,204

(1) Companies sold in 2020.

(2) Excluding IFRS 16 lease liabilities.

(3) Reclassified under 'Assets held for sale' in accordance with IFRS 5 in 2020 and 2021.

NOTE 15 Other non-current financial assets

(in € thousands)	June 30, 2021			Dec. 31, 2020		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Non-consolidated equity investments	1,323	(171)	1,152	2,847	(832)	2,014
Receivables relating to non-consolidated equity investments	0	(0)	-	0	(0)	-
Loans	281	-	281	281	-	281
Other non-current financial assets [1]	3,249	-	3,249	2,879	-	2,879
TOTAL	**4,853**	**(171)**	**4,682**	**6,007**	**(832)**	**5,174**

(1) Mainly deposits and guarantees.

Non-consolidated equity investments and related receivables

(in € thousands)	June 30, 2021							Dec. 31, 2020						
	Equity investments				Related receivables[1]	Reclassified to assets held for sale	Total	Equity investments				Related receivables[1]	Reclassified to assets held for sale	Total
	Gross value	Impairment	Carrying amount	% direct or indirect interest	Carrying amount			Gross value	Impairment	Carrying amount	% direct or indirect interest	Carrying amount		
S.M.A	63	-	63	*3.00%*	-		63	63	-	63	*3.00%*	-		63
Vocapia Research	-	-	-	*20.00%*	-		-	804	-	804	*20.00%*	-		804
Foster Wheeler Fakop	1,051	-	1,051	*8.41%*	-		1,051	1,051	-	1,051	*8.41%*	-		1,051
Kogeban[2]	1,867	(1,245)	622	*10.87%*	3,960	(4,581)	-	1,867	(1,057)	810	*10.87%*	3,772	(4,581)	-
Cogénération Biomasse d'Estrées-Mons[2]	613	(613)	-	*7.00%*	5,337	(5,337)	-	613	(409)	204	*7.00%*	5,133	(5,337)	-
Other	2,431	(171)	2,260		0	(2,222)	38	3,103	(832)	2,271		0	(2,174)	97
TOTAL	**6,024**	**(2,028)**	**3,996**		**9,296**	**(12,140)**	**1,152**	**7,499**	**(2,298)**	**5,202**		**8,905**	**(12,092)**	**2,014**

(1) Shareholders' current accounts without repayment schedules.

(2) Reclassified to 'assets held for sale' in accordance with IFRS 5.

NOTE 16 Equity

A. Share capital

At June 30, 2021, share capital amounted to €6,056,220 divided into 3,028,110 fully paid shares with a par value of €2.

There were no changes over the first six months of 2021.

B. Average number of shares outstanding

	June 30, 2021	June 30, 2020
Total number of shares	3,028,110	3,028,110
Weighted average number of treasury shares	201,162	202,789
Weighted average number of ordinary shares	2,826,948	2,825,322
Weighted average number of ordinary shares used to calculate diluted earnings per share	2,826,948	2,825,322

C. Dividends payable

As decided at the Shareholders' Meeting of June 25, 2021, all net income or loss for the period ended December 31, 2020 was allocated to "Retained earnings", so no dividends were paid for the 2020 financial year.

NOTE 17 Loans and borrowings

A. Breakdown of current and non-current financial liabilities

(in € thousands)	June 30, 2021			Dec. 31, 2020		
	Non-current	Current	Total	Non-current	Current	Total
Borrowings	45,408	220,075	265,483	177,043	51,034	228,077
Payables on finance leases	12,162	3,286	15,448	13,264	3,843	17,107
Refundable advances	6,278	419	6,698	6,278	419	6,698
Sales of receivables(1)	19,602	3,315	22,917	19,659	9,509	29,168
Other	371	3	374	371	3	374
Gross financial liabilities	**83,821**	**227,097**	**310,919**	**216,616**	**64,808**	**281,424**
Bank overdrafts	-	5,817	5,817	-	5,707	5,707
NET FINANCIAL LIABILITIES	**83,821**	**232,915**	**316,736**	**216,616**	**70,515**	**287,130**

(1) Primarily securitization of research tax credit receivables.

Loans and borrowings for which CNIM has an unconditional right to defer payment beyond one year are recorded under 'non-current financial liabilities'. This classification is based on the contractual position at June 30, 2021, and does not take into account the likelihood of occurrence of events requiring immediate debt repayment after the reporting date.

At June 30, 2021, the contractual conditions and criteria enabling the deferred repayment of CNIM's loans and borrowings (except for the Martin GmbH bond), which included 16-week cash flow forecasts and the absence of significant adverse events, were not all met. Consequently, these loans and borrowings were reclassified under current liabilities.

However, the terms of the conciliation protocol signed after the reporting date, in July 2021, do not provide for the settlement of these loans and borrowings in less than one year (see section on "New conciliation procedure" in Note 2 "Significant events of the period").

B. Change in financial liabilities

(in € thousands)	Dec. 31, 2020	Cash flow (1)			Non-cash effects	June 30, 2021
		Issue of loans and borrowings	Repayment of loans and borrowings	Other financing transactions		
Borrowings	228,077	40,190	(2,781)		(4)	265,483
Non-current	*177,043*	*190*	*-*		*(131,825)*	*45,408*
Current	*51,034*	*40,000*	*(2,781)*		*131,821*	*220,075*
Payables on finance leases	17,107	248	(1,983)		76	15,448
Refundable advances	6,698	-	-		-	6,698
Sales of receivables	29,168	-		(6,257)	5	22,917
Other	374	-	-		0	374
Gross financial liabilities	**281,424**	**40,438**	**(4,764)**	**(6,257)**	**78**	**310,919**
Bank overdrafts	5,707					5,817
NET FINANCIAL LIABILITIES	**287,130**					**316,736**

(1) Amounts analyzed in the cash flow statement.

C. Breakdown of loans and borrowings

(in € thousands)	June 30, 2021	Dec. 31, 2020
Loan to invest in Exensor Group	18,000	18,000
Drawdown of the revolving credit line	120,000	120,000
MT bank loan	33,000	35,000
Martin GmbH bond	45,000	45,000
MT government loan (development fund)	8,750	8,750
Participating loan (development fund)	40,000	-
Financing loan for R&D projects	1,572	1,798
Other loans and borrowings	(839)	(471)
TOTAL	**265,483**	**228,077**
Non-current	45,408	177,043
Current	220,075	51,034

In December 2017, the Group renewed a syndicated credit line (multi-currency) of €120 million, which was renewable for a five-year period (extended by one year in 2019, with another one-year extension possible) at a floating rate (Euribor or Libor + 6%). The amount drawn down from the credit line was €120 million at December 31, 2020. The credit line was subject to a covenant calculated based on the consolidated financial statements, limiting the net debt to EBITDA ratio to 2.5. If breached, the terms of the covenant required the borrowers to repay the credit line upon demand by the lenders. This covenant was cancelled in connection with the conciliation protocol approved in June 2020.

In December 2017, the company took out a €30 million floating-rate (Euribor + 6%) loan repayable over six years (that has been rendered fixed rate using an interest rate swap) to refinance the July 2017 acquisition of Exensor. The loan was subject to the same covenant as the 2017 syndicated credit line and was also cancelled in 2020.

In June 2020, the Group obtained new loans in connection with the conciliation protocol signed in April with its financial partners:

- Medium-term bank loan of €35 million at a floating rate (Euribor + 6%), with an initial maturity of 12 months and two six-month extension options. This credit line, fully drawn down, matured on April 30, 2021;

- Medium-term government loan (development fund) of €8.75 million at a floating rate (Euribor + 6%), with an initial maturity of 12 months and two six-month extension options. This credit line, fully drawn down, matured on April 30, 2021;
- €45 million bond, bearing interest at a fixed rate of 5%, taken out by Martin GmbH. The bond was subscribed in part by offsetting the short-term loan taken out by Martin GmbH in 2019 (€20 million) and by a partial cash contribution of €25 million. It matures on December 31, 2025.

On March 25, 2021, the French government granted a six-month bridge loan of €40 million in rescue aid, bearing interest at Euribor plus 4% (zero floor). This loan will be replaced by a participating loan of the same principal amount, maturing in 10 years.

The changes to the terms and conditions of all of these loans and borrowings under the conciliation protocol signed on July 30, 2021 are described in the section "New conciliation procedure" of Note 2 "Significant events of the period".

NOTE 18 Retirement and other employee benefits

(in € thousands)	Dec. 31, 2020	Additions	Reversals (utilizations)	Actuarial differences	Other	Reclassified to liabilities held for sale	June 30, 2021
Provisions for long-service awards	463	54	(110)	-	-		406
Provisions for retirement benefits	17,345	1,012	(538)	(575)	(33)		17,211
TOTAL	**17,808**	**1,066**	**(649)**	**(575)**	**(33)**	**-**	**17,618**

The discount rates used to measure commitments are as follows:

	June 30, 2021		Dec. 31, 2020	
	France	United Kingdom	France	United Kingdom
Discount rate	0.75%	1.30%	0.50%	1.30%

NOTE 19 Other provisions for contingencies and liabilities

(in € thousands)	Dec. 31, 2020	Increases	Reversals (utilizations)	Reversals (surplus)	Foreign currency translation adjustments	Other changes	June 30, 2021
Provisions for litigation	6,649	730	(125)	(50)	-	(13)	7,191
Other contingency provisions	2,833	1,612	(409)	(36)	17	-	4,016
Provisions for other expenses	60	-	-	-	-	-	60
Non-current provisions	**9,542**	**2,342**	**(534)**	**(86)**	**17**	**(13)**	**11,267**
Provisions for losses at completion [1]	59,392	16,159	(8,914)	-	0	2	66,640
Provisions for guarantees	14,850	9,364	(9,883)	(146)	31	-	14,216
Accrued expenses on completed contracts	44,062	29,089	(29,730)	(1,040)	415	490	43,286
Current provisions	**118,304**	**54,612**	**(48,527)**	**(1,186)**	**446**	**492**	**124,142**
TOTAL	**127,846**	**56,954**	**(49,061)**	**(1,272)**	**463**	**479**	**135,409**

NOTE 20 Off-balance sheet commitments

(in € thousands)	June 30, 2021	Dec. 31, 2020
Commitments given		
Contract bank guarantees	472,983	526,834
Commitments received		
Bonds received from suppliers	81,387	101,056

NOTE 21 Contingent liabilities

In application of IAS 37 criteria, the Group considers that the legal proceeding described below did not have to be provisioned at June 30, 2021 since the outcome is uncertain:

In May 2019, CNIM and CNIM Industrie were named as parties in the lawsuit of a director of a foreign subsidiary who is demanding backpay over a very long period of time. The Group is contesting the conformity of the summons and the merit of the claim. The suit is awaiting hearing by the Toulon commercial court (*Tribunal de Commerce*).

NOTE 22 Risk exposure

The Group implemented its financial, counterparty and liquidity risk management policies, as described in the notes to the consolidated financial statements for the year ended December 31, 2020.

NOTE 23 Subsequent events

The Company has not identified any subsequent events other than:

- Signing and approval of the conciliation protocol (see Note 2 – Significant events of the period)
- Divestments of the O&M business in France and Azerbaijan (see Note 3 – Assets held for sale)

Statutory Auditors' Report on the Interim Financial Statements (Period from January 1 to June 30, 2021)

To the Shareholders

Constructions Industrielles de la Méditerranée (CNIM)

64 Rue Anatole France

92300 Levallois Perret

In compliance with the engagement entrusted to us at your Annual General Meeting, and in application of Article L. 451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we have:

- performed a review of the accompanying condensed consolidated interim financial statements of Constructions Industrielles de la Méditerranée (CNIM) for the period from January 1 to June 30, 2021, and;
- verified the information provided in the interim report.

Due to the global crisis related to the Covid-19 pandemic, the condensed consolidated interim financial statements have been prepared and reviewed under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of health emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of our review procedures.

These financial statements are the responsibility of the Company's Board of Directors. Our responsibility is to express a conclusion on these financial statements based on our review.

I - Opinion

We conducted our review in accordance with professional standards applicable in France.

A review consists primarily of interviewing the executive persons responsible for financial and accounting matters and applying analytical procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in France. Consequently, it does not enable us to obtain the same level of assurance that the financial statements taken as a whole are free from material misstatements.

Based on our review, we have not found any material misstatements that could cause us not to believe that the accompanying condensed consolidated interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" adopted by the European Union.

Without qualifying our opinion, we draw your attention to Note 1 "Basis of preparation and accounting policies" which describes the information on which Management based its assumption of going concern, as well as the related important uncertainties.

II – Specific verifications

We have also verified the information provided in the activity report for the six-month period ended June 30, 2021 regarding the condensed consolidated interim financial statements that we reviewed.

We have no matters to report as to their fair presentation and their consistency with the condensed consolidated interim financial statements.

Neuilly-sur-Seine and Paris La Défense, August 16, 2021

The Statutory Auditors

PricewaterhouseCoopers Audit	Deloitte & Associés
Sébastien Lasou	Jérôme Milesi

Certification by the Person Assuming Responsibility for the Interim Financial Report

I hereby attest that, to the best of my knowledge, the condensed consolidated interim financial statements for the six-month period ended June 30, 2021 have been prepared in accordance with applicable accounting standards and present a true and fair view of the assets and liabilities and financial position of the Company and all entities in the consolidation scope as at June 30, 2021, and the results of their operations for the period then ended. I also hereby attest that the accompanying activity report for the six-month period ended June 30, 2021 presents a true and fair view of the major events that occurred during the first half of the financial year, their impact on the interim financial statements, the main related party transactions, and a description of the main risks and uncertainties for the remaining six months of the financial year.

Paris, August 13, 2021

Louis-Roch BURGARD

Chief Executive Officer