

# CM STRUCTURED FINANCE (1) LTD

## COMMUNIQUE

CM Structured Finance (1) Ltd (the “**Company**”) wishes to inform its noteholders, the noteholders’ representative and the public in general of the following update regarding NMC Health PLC and NMC Healthcare LLC (together being referred to as “**NMC**”).

On 19<sup>th</sup> August 2020, NMC hosted an all-lenders conference call, which was attended by the Company, and provided an update of the situation through a presentation (the “**Presentation**”). The Presentation has been made public on NMC’s website and can be accessed at <https://cf-cdn.nmc.ae/Uploads/InvestorRelations/all-lender-call-presentation-19-aug-2020-e0436784-fae0-4d99-a9b6-2b2b24714448.pdf>.

The Company noted the following salient points made by NMC:

1. Despite the strength of NMC’s underlying business, the discovery of fraud on a massive scale in early 2020 significantly damaged NMC’s operations and reputation in the financial markets, and threaten its long term survival;
2. NMC’s historical audited financial statements do not present a reliable view of its financial health. Based on initial assessments of the FY2018 audited accounts and H1 2019 reviewed accounts, it is apparent that net revenue and EBITDA were largely overstated. While NMC continues to be cash-generating, it was not as profitable as the Company was previously led to believe;
3. The proposed three-year business plan includes:
  - (i) disposing of the three international (non-core) businesses in order to raise funds and continue to focus on the United Arab Emirates and Oman (core) operations;
  - (ii) relocating the relevant legal entities of NMC group to a new jurisdiction, namely Abu Dhabi Global Markets (“**ADGM**”), an international financial centre and free zone located in Abu Dhabi. According to NMC, ADGM has a tried and tested administration process with an experienced judiciary based largely on English law.  
The restructuring process would involve:
    - a) agreeing a plan of reorganization with NMC’s lenders by 30 January 2021; or failing that,
    - b) pursuing a sale of NMC’s core business.
  - (iii) raising an administration funding facility of up to US\$300m as additional funding, opened to participation from all NMC lenders. As per the ADGM rules, the administration funding providers will have a priority claim (i.e. a claim that would be paid before other existing creditors) on any recovery amounts;

By Order of the board of directors of the Company.

Date: 20 August 2020

This Communiqué is issued pursuant to the SEM Listing Rule 11.3, the Securities Act 2005 and the rules and regulations made thereunder. The board of directors of the Company accepts full responsibility for the accuracy of the information contained in this Communiqué.