

Regulated information

Privileged information

Mont-St-Guibert, 23 January 2018, 6 PM

Launching of the public offering for subscription with preferential rights for the Hamon & Cie (International) capital increase in a minimum net amount of EUR 37.2 and a maximum net amount of EUR 66.6 million (*taking into account the costs of the transaction estimated at EUR 1.5 million*)

Warning

An investment in the New Shares, the Preferential Rights or the Scrips involves substantial risks. Before making the decision to participate in the Offer, investors are advised to read the Prospectus in its entirety and, in particular, to read the risks described in Chapter 3 “Risk Factors” (pp. 36 and following).

Investors are encouraged to read more specifically section 3.1.1.2.1 (B) “Financing Risks” (p. 37) concerning the risk attached to the maturity date of January 30, 2020 of the bond issue for an amount of EUR 55 million subscribed by the Company and of the Senior Credit entered into by the Company and certain of its subsidiaries in the amount of EUR 302 million, including a credit facility which will be gradually reduced to an amount of EUR 211 million (p. 37). To the extent the facility credit would not be renewed during the refinancing of the Senior Credit in January 2020, there is a risk that the Group may no longer conclude contracts or orders with its customers after that date, which would then represent a risk for the continuity of its operations. In addition, there is a risk that the Company will not comply with the covenants contained in the Senior Credit, which will be tested for the first time on December 31, 2018. Non-compliance with the covenants constitutes an event of default that allows the acceleration of the Senior Credit if an agreement cannot be reached with the Bank Syndicate. In case of non-compliance with these covenants, there is however a possibility of remedy via a capital increase, a subordinated loan for the difference between the expected figure and the figure achieved or by obtaining an agreement with the Bank Syndicate.

In addition, investors are encouraged to read more specifically Section 3.1.1.2.1 (C) “Risks related to the impact of the Company's indebtedness on its operational flexibility” (p. 40) regarding the consequences the Company's indebtedness could have on the continuity of its operations and business, including: (i) lead the Company to dedicate a significant portion of its cash flow to the repayment of its financial debt, thereby reducing the funds available for the working capital (on the long term), investments and acquisitions; (ii) limit the ability of the Company to borrow additional funds; (iii) increase the vulnerability of the Company to the general and specific economic conditions of the sector.

Finally, the attention of potential investors is also drawn to the fact that the Prospectus contains a qualified statement on the Group's working capital situation before the capital increase. In the opinion of the Company, once the capital increase has been completed and the Facility granted, the Group will, however, have sufficient working capital to meet its current needs for the twelve next following months.

Any decision to invest in the New Shares, Preferential Rights or Scrips must be carefully considered and based on all the information provided in the Prospectus. Potential investors must be able to bear the economic risk of investing in the New Shares, Preferential Rights or Scrips that may result in the loss, in whole or in part, of their investment.

Hamon & Cie (International) S.A.

www.hamon.com

Rue Emile Francqui 2, 1435 Mont-St-Guibert, Belgium

EUI-1201912820v3



Capital increase

The capital increase with preferential subscription rights for the current shareholders in a minimum amount of EUR 37,181,913 and a maximum amount of EUR 66,609,834 (including issue premium) will be launched on Friday, January 26, 2018.

The new shares will be offered for subscription at a price of EUR 0,50 per share, from Friday January 26, 2018 to Friday February, 9 2018 inclusive, in the proportion of 1 right of preference for 6 new shares. The capital increase therefore implies an offer of maximum 136,219,668 new shares. The right of preference will be represented by coupon n ° 15 which will be detached on Friday January 26, 2018 (before the opening of the stock market) and which will be listed on Euronext Brussels as of that date.

By way of reminder, Sogepa and three out of the six banks participating to the Senior Credit have unconditionally and irrevocably committed to subscribe to this capital increase for EUR 25.0 million and EUR 8.7 million, respectively. Sopal, for its part, has undertaken to subscribe unconditionally and irrevocably to an amount equivalent to the difference between EUR 5.0 million and the amount of the subscriptions of investors other than Sogepa and the three banks collected during the offer period.

The shareholdings of Sogepa (acting for its own account and on behalf and for the account of the Walloon Region) and Sopal (in case of a subscription of EUR 5 million) will increase, upon closing of the offering, from 44.22% and 38.52%, respectively, to 60.00% and 18.73% (in case of a minimum capital increase of 37.2 million), and to 37.78% and 5.50% (in case of a maximum capital increase of 66.6 million).

The capital increase is part of a broad framework of operations to restructure Hamon's equity and global debt. It is notably accompanied by a renegotiation of the Senior Credit terms by which the Bank Syndicate has granted a debt write-off of approximately EUR 86.9 million and a first test of the financial covenants on December 31, 2018, as well as the conclusion of a new EUR 25 million loan granted by Sogepa. In this context, the net proceeds of the offer will in particular be used to reduce Hamon's indebtedness in an amount of approximately EUR 28 million. These operations (capital increase and loan) will result in a new liquidity contribution of at least EUR 33.5 million intended to (i) finance the Group's restructuring plan estimated at EUR 18 million and aimed at resize the latter in order to adapt it to an annual turnover of around EUR 400 million and (ii) to finance in the short-term the existing operations of the Company. In total, the Company's debt will decrease by approximately EUR 90.625 million. Following the restructuring, the Senior Credit will be composed of a bank guarantee line that will be gradually reduced to an amount of EUR 211 million and a revolving line of approximately EUR 41.9 million.

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Terms of the offer

The main terms of the offer can be summarized as follows:

Rights: Subject to applicable financial rules, all shareholders of Hamon at the close of Euronext Brussels on Thursday January 25, 2018 at closing will be granted a preferential right per existing share held. The rights represented by coupon No. 15 of the existing shares will be separated from the underlying shares on Friday January 26, 2018 before the opening of Euronext Brussels and will be admitted to trading on Euronext Brussels as from that date.

Ratio: 6 new shares for 1 right of preference (the "**Ratio**").

Subscription price: 0,50 euro per new share.

Subscription period with preferential rights: from Friday January 26, 2018 to Friday February 9, 2018 (until 4 p.m. CET). Preferential rights that have not been exercised at the closing date of the offering will no longer be exercisable.

Subscription period with scrips: once the subscription period with preferential rights has expired, the unexercised preference rights will be converted into an equal number of scrips. These will be offered and sold through an accelerated bookbuilding process as part of a private placement with institutional investors and private investors in Belgium and in the European Economic Area. Degroof Petercam SA / NV will act as Sole Lead Manager. The offer of scrips is expected to take place on or around February 14, 2018. The net proceeds from the sale of the scrips (if any) will accrue to the holders of the preferential rights that have not been exercised during the preferential rights subscription period, except where the net proceeds from the sale of the scrips divided by the the number of unexercised rights are below EUR 0.01, in which case the net proceeds will be transferred to Hamon. Buyers of scrips will be required to subscribe to the new shares corresponding to the scrips acquired by them in accordance with the Ratio.

Announcement of results: the results of the offer should be announced on or around February 14, 2018.

Rank and dividends: the new shares will enjoy the same rights and benefits as the existing shares and will rank equally with them in all respects, including the right to dividends, as from their issue. There will be no dividend in 2017.

Settlement: Subscriptions are expected to be paid on or around February 15, 2018. The issue of the new shares will take place on or around February 16, 2018 and the payment of the net proceeds of the scrips will take place on or around February 19, 2018.

Admission to trading : the new shares will be admitted to trading on Euronext Brussels on or around February 16, 2018.

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Prospectus: The prospectus approved by the FSMA is available to all investors located in Belgium and will be made available free of charge at the registered office of the Company located at Rue Emile Francqui 2, 1435 Mont-Saint-Guibert (Belgium) and on Hamon website (www.hamon.com) as from January 25, 2018.

Copies of the documents incorporated by reference in the Prospectus will be made available free of charge at the abovementioned registered office of the Company and on Hamon website (www.hamon.com).

Banque guichet : Banque Degroof Petercam will act as *banque guichet* in view of accepting, without cost, the subscription of the holders of shares to new shares through their preferential rights. It is the responsibility of the financial intermediaries through which the shareholders hold their preferential rights to obtain the instructions to exercise them and to inform the *banque guichet*. Shareholders will have to inquire about the fees that may be charged by these financial intermediaries.

Publication of the 2017 annual results: Hamon & Cie will publish its annual results on Tuesday March 6th, 2018.

Restrictions: This announcement is for general information only and does not constitute, or form part of, an offer or invitation to sell or issue, or any solicitation of an offer to purchase or subscribe for, nor shall there be any sale or purchase of, the securities referred to herein, in any jurisdiction in which such offer, invitation, solicitation, sale, issue, purchase or subscription would be unlawful prior to registration, exemption from registration or qualification under the securities laws of any such jurisdiction. This announcement is not for distribution, directly or indirectly, in any jurisdiction where to do so would be prohibited by applicable law. Any persons reading this announcement should inform themselves of and observe any such restrictions.

This announcement is not an offer of securities for sale in the United States of America. The securities referred to herein may not be offered or sold in the United States of America (as defined in Regulation S under the U.S. Securities Act) absent registration with the United States Securities and Exchange Commission or an exemption from registration under the U.S. Securities Act of 1933, as amended. The Company and its affiliates have not registered and do not intend to register any part of any offering in the United States of America, and have not conducted and do not intend to conduct a public offering of securities in the United States of America.

This announcement is not a prospectus within the meaning of the Prospectus Directive in relation to the offering. A prospectus prepared and made available in accordance with the Prospectus Directive has been published, and can be obtained as mentioned above. Investors should not subscribe for any securities referred to in this announcement except on the basis of information contained in the Prospectus. Investors may not accept an offer of securities referred to herein, nor acquire or sell such securities, unless on the basis of information contained in the Prospectus. This communication cannot be used as basis for any investment agreement or decision.

This announcement does not, and shall not, in any circumstances constitute a public offering nor an invitation to the public in connection with any offer to buy or subscribe for securities in any jurisdiction. No announcement or information regarding the offering, listing or securities of the Company referred to above may be disseminated to the public in jurisdictions outside of Belgium where a prior registration or approval is required for such purpose. No steps have been taken, or will be taken, for the offering or listing of securities of the Company referred to above in any jurisdiction outside of Belgium where such

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steps would be required. The issue, exercise, or sale of, and the subscription for or purchase of, securities of the Company are subject to special legal or statutory restrictions in certain jurisdictions. The Company is not liable if the aforementioned restrictions are not complied with by any person.

More information is available at the following link:

<http://www.hamon.com/en/corporate/investor-relations/news-financial/>

For more information

For more information, please contact:

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Hamon profile

*The Hamon Group is a world player in engineering & contracting (design, installation and project management). Its activities include the design, the manufacturing of critical components, the installation and the after-sale services of **cooling systems**, **process heat exchangers**, **air quality systems (AQS)**, **Heat Recovery Steam Generators (HRSG)** and **chimneys**, used in power generation, oil & gas and other heavy industries like metallurgy, glass, chemicals.*

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