

Gruppo **TREVI**

SIGNING OF THE BINDING CONTRACTS RELATING TO THE DISPOSAL OF OIL&GAS DIVISION AND TO THE FINANCIAL RESTRUCTURING AND CAPITAL STRENGTHENING TRANSACTION.

Milan, August 6, 2019 – Trevi - Finanziaria Industriale S.p.A. (“**Trevifin**” or the “**Company**”) announces that on August 5th, 2019 the agreements relating to the financial restructuring and capital strengthening transaction of the Trevi Group have been signed.

Disposal of Oil & Gas Division

Trevifin and its subsidiaries Trevi S.p.A. (“**Trevi**”), Soilmec S.p.A. (“**Soilmec**”) and Trevi Holding USA Corporation and Indian group headed by Megha Engineering & Infrastructures Ltd (“**MEIL Group**”) on August 5th, 2019 have signed the binding agreement relating to the sale of the Trevi Group’s Oil&Gas division in favour of MEIL.

In compliance with what has been previously resolved by the Board of Director of the Company and communicated to the market (see, *inter alia*, press release of July 16,2019, available on the website www.trevifin.com, “Investor Relations/Press Release” section), the contracts signed with MEIL Group provide for an enterprise value – on a debt free basis – equal to Euro 140 million, which is subject to adjustments upon the occurrence of certain events, including any changes in the working capital of the companies of the Oil & Gas Division against the reference value that has been considered for the purposes of valuating the division. The sale, envisaged by Trevi Group’s business plan as already approved by the Company, represents an integral part of the financial restructuring transaction, which is governed by the agreements described herein below.

MEIL Group, with current revenues equal to roughly \$ 2.5 billion, which is one of the leading Indian engineering and infrastructure companies, announced that the acquisition of Oil & Gas Division should see multi-year production growth as well as growth in service division with increased business volumes resulting in generation of excess free cash flow, strengthening MEIL’s position in the market.

The execution of the sale and purchase agreement is subject to the occurrence of certain conditions precedent, including, among others: (a) the implementation by the sellers of a number of intercompany transactions aimed at transferring to the MEIL Group all the assets being sold on a debt free basis, (b) the execution and subsequent approval of the Trevi Group debt restructuring agreement pursuant to Article 182-bis of the Italian Bankruptcy Law; (c) the non-occurrence of material adverse changes before the closing date which, based on the information currently available, is reasonably expected to occur by the end of the current financial year.

Restructuring Agreement and Investment Agreement.

On August 5th, 2019, immediately after the signing of the agreements with MEIL Group and in a unitary context, the Company, Trevi, Soilmec, Drillmec S.p.A. (“**Drillmec**”) and Petreven S.p.A. (“**Petreven**”), on one hand, as well as the lenders of Trevi Group, the shareholders FSI Investimenti S.p.A (“**FSII**”), a company of the CDP Group, and Polaris Capital Management LLC, on behalf of the managed funds

(“**Polaris**”), on the other hand, have signed the definitive agreements, already approved by the Board of Directors of the Company on July 17, 2019, relating to the financial restructuring and capital strengthening transaction of Trevi Group, as already announced to the market (see the last press release of July 17, 2019, available on the website www.trevifin.com, “*Investor Relations/Press Release*” section).

Particularly, the following agreements have signed:

- (a) the debt restructuring agreement between the Company and its main subsidiaries, on one hand, and the main financial lenders of Trevi Group, on the other hand (the “**Restructuring Agreement**”) that regulates restructuring transaction of the Company and Trevi Group’s debts, including the commitment of the financial lenders to subscribe ordinary shares of the Company in the context of the capital increase, through a debt equity swap for the maximum amount of Euro 284 million, with a conversion ratio of 4.5:1. The Restructuring Agreement is expected to be filed by Thursday, August 8, 2019, at the competent Tribunal for the homologation, pursuant to article 182-bis of Italian Insolvency Law;
- (b) the Investment agreement (“**Investment Agreement**”) pursuant to which the shareholders FSII and Polaris committed to subscribe the shares issued in the context of the Euro 130 million capital increase to be offered to the current shareholders, as resolved by the Board of Directors of the Company on July 17, 2019, for a total amount of approximately Euro 77,5 million. This agreement also sets forth, *inter alia*, the of lock-up undertakings, in relation to the shares subscribed in the context of the capital increase, which will last 12 months starting from the subscription of the shares, as well as certain agreements between shareholders relating to the perfection of the transaction, including the undertaking to submit a lists of candidates for the appointment of the board of directors and the supervisory board, as well as to exercise the vote in the shareholders’ meeting in favour of the resolutions relating to the perfection of the transaction. The Investment Agreements provides for the possibility that the shareholder Trevi Holding S.E. adheres to it after the signing date;
- (c) the facility agreement for granting of the new finance (“**New Financing Agreement**”), by which some financial lenders undertook to grant further financing in favour of Trevi and Soilmec to meet the liquidity needs of Trevi Group in the execution of the Restructuring Agreement and the related business plan, for a maximum amount of Euro 41 million. Euro 12 million will be made available before the homologation of the Restructuring Agreement, subject to the issuance of the authorization by the Tribunal pursuant to article 182-*quinquies* Italian Bankruptcy Law.

Terms and conditions of the above-mentioned agreements reflect those already communicated to the market upon their approval on July 17, 2019. For a more detailed description of the agreements, reference is made to press release issued on the same date (available on the website www.trevifin.com, “*Investor Relations/Press Release*” section).

The closing of the debt restructuring transaction regulated by the above-mentioned agreements, including the capital increase transaction, is subject to the occurrence of certain conditions precedent, described in more detail in the above-mentioned press release. Particularly, in order to implement the transaction provided in the Restructuring Agreement and in the Investment Agreement, the satisfaction of the following conditions is required: (i) that the homologation decree of Restructuring Agreement becomes definitive; (ii) that the shareholders’ meeting takes certain resolutions, including the appointment of a new board of directors of the Company, in compliance with the principles of the Restructuring Agreement and Investment Agreement; (iii) that the closing of the sale of the Oil & Gas Division occurs before the launch of the capital increase.

Furthermore, as a consequence of the filing of a legal action towards the board of directors started by the shareholder Trevi Holding SE, pursuant to article 2409 of Italian Civil Code (as announced with press release on July 19, 2019), the financial lenders have requested as a further condition to the agreement, in addition to those already announced to the market, that such legal action is rejected by the Court of Bologna.

The signing of the agreements regulating the financial restructuring and capital strengthening transaction of Trevi Group represents the successful outcome of a complex and lengthy negotiation process that involved many parties. The transactions set forth under such agreements represent a fundamental turning point for Trevi Group, in order to allow its rescue and the overcoming of its financial crisis, restoring a balanced financial situation, in line with its competitors, and enabling it to recover, through the implementation of the business plan, the profitability values that allowed its growth in the previous years.

The transaction has been led by the Chief Restructuring Officer, Mr. Sergio Iasi, with the support, as advisors of the Company, of Gianni, Origoni, Grippo, Cappelli & Partners and Studio Zoppini e Associati, for the legal aspects, by Vitale & Co. and Lazard & Co., for the financial aspects, by The Boston Consulting Group, for the industrial aspects, and by Erre Quadro advisory with Raffaele Fiorella and Barbara Biassoni for the accounting aspects.

The banks have been assisted by Studio Molinari e Associati, for the legal aspects, and by Rothschild & Co. for the financial aspects.

The shareholders FSII and Polaris have been assisted, for the legal aspects, respectively by Gatti Pavesi Bianchi and DLA Piper.

Please note that on August 5th, 2019 the Board of Directors of the Company (i) resolved to propose to the shareholders' meeting on September 23, 2019, on the first call, and on September 30 on the second call, to modify the By-laws to introduce provisions relating to the composition and the appointment of the board of directors of the Company, so that it will be possible to appoint 4 independent directors and 2 directors from the minority lists, on the basis of quotient mechanisms; as well as (ii) approved, also on purposes of the filing of the Restructuring Agreement, the economic and financial report of the Company at March 31, 2019, which highlights as follows:

TREVI Finanziaria Industriale S.p.A.

Assets and liabilities (€ mln)	31/03/2019	31/12/2018	Delta
- Tangible Assets	28,1	28,4	(0,3)
- Intangible Assets	0,1	0,1	0,0
- Financial Assets	134,3	134,3	(0,0)
A) Total Assets	162,5	162,8	(0,3)
- Trade receivables	63,2	60,7	2,4
- Trade payables (-)	(44,8)	(43,7)	(1,1)
- advances (-)	(0,2)	(0,0)	(0,1)
- other assets (liabilities)	9,8	9,1	0,6
- provisions for risks (-)	(19,8)	(20,3)	0,5
B) Net Working Capital	8,2	5,8	2,4
C) Assets and liabilities held-for-sale	2,4	2,4	-
D) Capital employed less operating liabilities (A+B+C)	173,1	171,0	2,0
E) Post-employment benefits (-)	(0,8)	(0,8)	(0,0)
F) Net Capital Employed (D+E)	172,3	170,3	2,0
<i>Financed by:</i>			
Indebtedness towards banks and other financial institutions	483,2	478,4	4,8
Intercompany financial indebtedness/(Receivables)	(87,5)	(86,7)	(0,8)
(Cash)	(1,4)	(0,7)	(0,7)
G) Net Financial Debt	394,3	391,0	3,3
- Share Capital	82,3	82,3	
- Reserves	(303,0)	(212,7)	
- Profit/loss of the period	(1,3)	(90,3)	
H) Total Shareholder's Equity	(222,0)	(220,7)	(1,3)
I) Total Sources of Financing (G+H)	172,3	170,3	2,0

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Net Financial Position (€ mln)

		31/03/2019	31/12/2018	Delta
A	Cash	0,0	0,0	0,0
B	Other liquid assets (details)	1,4	0,7	0,7
C	Securities held for trade			
D	Liquidity (A+B+C)	1,4	0,7	0,7
E	Current Financial Receivables	87,5	86,7	0,8
F	Current Bank Debt	0	0	0
G	Current Portion of non-current indebtedness	437,5	433,0	4,5
H	Other non-current financial debt	45,3	42,7	2,6
I	Current financial Debt (F+G+H)	483	475,7	7,0
J	Net current financial Debt (I-E-D)	393,9	388,3	5,6
K	Non-current bank indebtedness	0	0	0
L	Issued securities	0	0	0
M	Other non-current debt	0,4	2,7	-2,3
N	Non-current financial Debt (K+L+M)	0,4	2,7	-2,3
O	Net Financial Debt (J+N)	394,3	391,0	3,3

Also on the date hereof, the capital increase resolution adopted by the Board of Directors of the Company on July 17, 2019, pursuant to the delegation resolved by the shareholders' meeting on July 30, 2018, has been registered with the Companies' register of Cesena/Forlì (in this respect, please see the press releases dated June 30, 2018 and July 17, 2019 available on the website www.trevifin.com, "Investor Relations/Press Release" section). The related illustrative report drafted in accordance with article 72 of Issuers' Regulation is available on website www.trevifin.com Investor relations/Notice to Shareholders section.

About Trevi:

Trevi Group is a worldwide leader in the field of soil engineering (special foundations, tunnel excavation, soil consolidation and the building and marketing of special rigs and equipment relevant to this engineering Sector); the Group is also active in the drilling Sector (oil, gas and water) both in the production of plant and the supply of services, and it also builds automated underground car parks. The Group was established in Cesena in 1957 and today has more than 30 branches and is present in over 80 countries. Its success is due to the vertical integration of the main divisions making up the Group: Trevi, the division that supplies special services in the field of soil engineering, Petreven, the oil drilling division of the Group, Soilmec, the division that produces and develops plant and machinery for soil engineering and Drillmec the division that produces and develops drilling rigs (oil, gas and water). The parent company has been listed on the Milan stock exchange since July 1999.

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