BoD OF TREVI FINANZIARIA INDUSTRIALE
APPROVES H1 2019 RESULTS

H1 2019 key financial highlights according to IAS/IFRS: in continuity with December 31, 2018, the Group applied IFRS 5, in view of the ongoing negotiations for the disposal of Oil&Gas sector operations, as outlined in greater detail in the half-year report.

- ***Consolidated revenues: Euro 301.7 million***
- ***Consolidated EBITDA: Euro 18.3 million;***
- ***Consolidated EBIT: -Euro 13.0 million***
- ***Group Net Result: loss of Euro 25.7 million;***
- ***Net Financial Position (debt) of Euro 736.2 million (Euro 692.6 million at December 31, 2018). The impact of IFRS 16 on the Group Net Financial Position was approx. -Euro 27.6 million;***
- ***Foundation Sector Backlog of Euro 517 million at June 30, 2019.***

Cesena, September 30, 2019 - The Board of Directors of Trevi - Finanziaria Industriale S.p.A., meeting today before the Ordinary/Extraordinary Shareholders' Meeting of the company, under the Chairmanship of Mr. Davide Trevisani, approved the Half-Year Report at June 30, 2019 of the Trevi Group, which will be published in accordance with the applicable regulation, together with the results of the currently ongoing audit. The consolidated operating-equity figures presented in the half-year report were drawn up in compliance with international accounting standards in force at June 30, 2019.

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Business performance

Special Foundation sector revenues in H1 2019 amounted to approx. Euro 210 million. The increase is mainly due to the launching of initiatives on new key markets in Europe, mainly France and Germany, and improved volumes in the United States and Chile.
Divergent performances were apparent in the Middle East, with operational expansion in Saudi Arabia and Oman, while the Dubai and Kuwait markets significantly declined. In Africa, due to the continued crisis in Nigeria and the protests in Nigeria following the elections, operations slowed significantly.

Soilmec revenues totalled approx. Euro 94 million, with encouraging signs in Italy on the basis of high-end cutting and pole-mounted machine sales. Operations however slowed, mainly in Europe and the Middle East. Growth was reported in the APAC and the North American region.
Analysing the individual companies for both Italian sectors, revenues declined due to a delay in production to the second half of the year as a result of material availability issues.

Looking to the backlog, the situation significantly improves, with an increase thanks to the contribution of the Eastern APAC, Northern America and Europe regions. The improving sales trend initiated in 2018 was confirmed in the first half of 2019.

Financial and equity overview

Consolidated net capital employed was Euro 562.9 million, compared to Euro 545.3 million at December 31, 2018, with the increase of Euro 18.8 million mainly concerning higher property, plant and equipment.

At June 30, 2019, the Net Financial Position (debt) was -Euro 736.2 million, compared to a Net Financial Position at December 31, 2018 of -Euro 692.6 million, increasing Euro 43.6 million.
This figure was impacted by the application from January 1, 2019 of IFRS 16, applying the modified retrospective method. The impact of IFRS 16 on the Group Net Financial Position was approx. Euro 27.6 million.

H1 2019 key events

During the initial months of 2019, negotiations continued with the lending institutions and with all stakeholders for the agreement of the terms to the individual agreements and all transactions within the framework of the restructuring/recapitalisation of the Trevi Group. Although substantial progress has been made and the lending banks in fact extended the application of the standstill agreement, permitting in addition new cash lines, as well as the issue of new guarantees required for the Group's financial support, as some matters are still being finalised, the Board on April 1, 2019 postponed the Extraordinary Shareholders' Meeting called for April 24 and April 30, 2019 (respectively in first and second call) for the adoption of measures as per Article 2447 of the Civil Code, so that it coincides with the date of the Shareholders' Meeting to be called to approve the 2017 and 2018 financial statements in accordance with the terms of Article 2374, paragraph 2, final paragraph of the Civil Code. On that date, the Board also approved the consolidated and updated plan on the basis of the December 31, 2018 figures.

On May 2, 2019, the Bondholders meeting, held in second call, approved the granting of a waiver and the amendment of some of the terms of the bond regulation, so as to align the provisions with the company's present position and with that covered by the Plan, thereby contributing to the recovery of the company's financial structure.

The amendments to the bond regulation regard, *inter alia*, the bond maturity date, which was extended to December 31, 2014, the re-setting of the interest rate to 2% from May 2, and the re-establishment of some contractual obligations and significant events so as to align them with the company's present situation and the new Plan.

The efficacy of the amendments to the bond regulation is subject to the approval of the Restructuring Agreement in accordance with Article 182-*bis* of the Bankruptcy Law and the closing of the transaction by December 31, 2019.

On May 8, 2019, the company announced to the market that the Board of Directors, after acknowledging the advanced state of negotiations and the preparation of the agreements covering the transactions, approved the definitive financial restructuring, including the economic-financial plans, which were sent to the lending banks in order to allow them to complete the preliminary activities for the Transaction and the relative approvals.

The restructuring proposal approved by the Board, which is now reflected in the Plan and in the Restructuring Agreement, is in line with the principles previously established by their motion of December 19, 2018 and in extreme summary stipulates:

1. a share capital increase in the form of options for an amount of Euro 130 million, at a subscription price per share of Euro 0.0001, in relation to which the Institutional Shareholders have confirmed their availability to assume a subscription commitment for a total of Euro 77.4 million, while the remainder, where not opted by the market, shall be subscribed by the lending banks through the conversion of the relative receivables, according to the conversion ratio indicated at point (ii) below;
2. the conversion into newly issued ordinary shares admitted to trading on the MTA of the receivables of the lending banks, on the basis of a 4.5:1 ratio, for a maximum amount of Euro 284 million, in part, where necessary, to guarantee any unopted shares and, for the residual portion, to subscribe and release a reserved share capital increase;
3. a further share capital increase, up to a maximum of approx. Euro 20 million, reserved to the company's current shareholders, with the corresponding issue of a total of 164,783,265 listed European "loyalty warrants", each permitting the subscription of 933 conversion shares, for a total maximum 184,491,343,494 conversion shares, to be subscribed in cash, at an exercise price per warrant of Euro 0.00013;
4. settlements with creditors who have rejected the conversion into ordinary shares proposal as per point (ii) above, for a total amount of approx. Euro 32 million, with an estimated balance sheet benefit of an additional approx. Euro 20 million;
5. the disposal of direct or indirect investments held by Trevifin in Drillmec and Petreven (and through these latter in the other companies held and operating in the Oil&Gas sector) in favour of MEIL Group and the allocation of the relative net income to repaying the debt, respectively, of each of these companies, following the release of these exposures by Trevifin immediately before the disposal's closing. The residual payable not settled through the use of net income from the cash deriving from the Oil&Gas disposals shall in part be converted within the conversion share capital increase and partly eliminated as not guaranteed by Trevifin and, for the residual portion guaranteed by Trevifin, rescheduled with new conditions in line with the restructured debt as per point (vi) below;
6. where the portion of the share capital increase in cash reserved as options for existing shareholders is not fully taken up, the possible granting and issuing in favour of Trevi S.p.A. and Soilmec S.p.A. of a medium/long-term bank syndicate cash loan for a maximum total amount between the lower of (a) Euro 41 million and (b) the difference between Euro 130 million and the amount of the share capital increase in cash subscribed by the market and by the shareholders (including the Institutional Shareholders). Of this loan, Euro 12 million shall be issued in the period between the filing of the recourse and the definition date of the Restructuring Agreement's approval and, however, following the authorisation by the Competent Court, in accordance with Article 182 *quinquies*, paragraph 1, BL). The amount of the new loan, which was calculated, taking account of the agreements reached with MEIL, assuming that the Group shall benefit from the disposal of Petreven, after repaying the entire debt of this company, by a net amount of approx. Euro 11.6 million, shall however be reduced in an amount equal to the net amounts from the Petreven disposal which exceed the above amount of Euro 11.6 million;
7. the consolidation and rescheduling of the bank debt shall have a final repayment date and relative balloon repayment at December 31, 2014, except in the cases of early bond repayment, and the amendment of the relative terms and conditions;
8. the granting of the new endorsement credit lines to support the Plan;
9. the provision on the one hand of a new cash loan and on the other of new endorsement credit lines, also during the period between the filing date and the endorsement date of the Restructuring Agreement in accordance with Article 182-quinquies BL, subject to the release of authorisation by the competent Court; and
10. the rescheduling to December 31, 2014, and the amendment of the relative terms and conditions of the bond issued by Trevifin.

The subscription price of the newly issued shares within the share capital increase, in line with the Board's document of December 19, 2018, in addition to the commitments assumed by the Institutional Shareholders, fixed by the Board of Directors as Euro 0.0001 which, on the basis of the current share price, corresponds to a TERP discount of 28%, in line with market practice.

The above financial restructuring will provide a total recapitalisation for the company in an estimated range of between Euro 390 and 440 million and an improvement to the net financial position of approx. Euro 150-250 million (based on the amount of the share capital increase in cash subscribed by the market).

With regards to the Oil&Gas disposal, the relative terms and conditions are reflected and detailed in its implementation agreements (including the Sale and Purchase Agreement, the Escrow Agreements, the Non-Compete Agreement and the Intercompany Commercial Agreement), (the "Oil&Gas Disposal Agreements").

Finally, the company: (a) **on July 15, 2019** approved the draft financial statements (consolidated and statutory) to be submitted for the approval of the shareholders' meeting of September 30, 2019; (b) on August 5, 2019 signed the definitive agreements for the Transaction, including the Restructuring Agreement, the Investment Agreement and the Oil&Gas Disposal Agreements; and (c) on August 5, 2019 filed (jointly with the applicants Trevi S.p.A. e Soilmec S.p.A.) the Restructuring Agreement at the Forlì Court, requesting its approval as per Article 182 bis of the Bankruptcy Law.

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Total Oil&Gas sector revenues for H1 2019 amounted to approx. Euro 91.2 million.
Petreven division revenues in H1 2019 amounted to approx. Euro 45 million.
The Division currently operates in South America on behalf of the leading Major and National Oil Companies.
Drillmec division total revenues in H1 2019 amounted to approx. Euro 46 million.
The Oil&Gas sector backlog amounted to Euro 517 million at June 30, 2019.

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For the industrial plan and the main risks and uncertainties to which the Trevi Group is exposed and considerations regarding the going concern, reference should be made to the report at June 30, 2019.

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Statement pursuant to Article 154-*bis*, paragraph two, of the Consolidated Finance Act

The Executive Officer for Financial Reporting Mr. Massimiliano Battistelli declares, pursuant to Article 154-bis, second paragraph of Legs. Decree No. 58/98, that this press release corresponds to the underlying accounting documents, records and accounting entries.

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Trevi Finanziaria Industriale S.p.A. (the "company") announces that, with regards to the auditors' report on the half-year report at June 30, 2019 of the Trevi Group issued by KPMG S.p.A., the independent audit firm stated that it is not in a position to present an opinion on the report due to the uncertainties regarding the going concern stemming from the execution of the capital strengthening and debt restructuring operation which is currently subject to the approval of the Forlì Court, in accordance with Article 182 *bis* of the Bankruptcy Law. These uncertainties have also been cited by the directors in the reports to the financial statements, as recalled without challenge by the independent audit firm. The full Auditor's Report is annexed to this press release.

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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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Consolidated Financial Statements

Consolidated Income Statement

(Euro thousands)

CONSOLIDATED INCOME STATEMENT	H1 2019
Revenue from sales and services	288,319
- of which related parties	*5,127*
Other operating revenues	13,421
- of which related parties	-
Total Revenues	**301,740**
Raw materials and consumables	104,031
Change in inventory of raw materials and goods	(2,651)
Personnel expenses	85,126
Other operating costs	107,311
- of which related parties	*2,780*
Amortisation & Depreciation	21,528
Provisions & write-downs	9,770
Increase in internal work capitalised	2,005
Changes in inventories of finished goods and work in progress	8,330
EBIT	**(13,040)**
Financial income	3,888
(Financial charges)	(13,293)
Exchange gains/(losses)	(577)
Sub-total financial income/(charges) and exchange gains/(losses)	**(9,982)**
Adjustment to financial assets	729
Loss before taxes	**(22,293)**
Income taxes	2,968
Net loss from continuing operations	**(25,261)**
Net loss from discontinued operations	**0**
Net loss for the year	**(25,261)**
Attributable to:	
Parent company shareholders	(25,666)
Minority interests	405
Basic Group loss per share:	(0.1559)
Diluted Group loss per share:	(0.1562)

Consolidated balance sheet

ASSETS	30/06/2019	31/12/2018
Non-current assets		
Property, plant & equipment		
Land and buildings	52,275	45,580
Plant and machinery	133,564	141,609
Industrial and commercial equipment	41,852	22,485
Other assets	17,685	14,775
Assets in progress and advances	570	523
Total property, plant & equipment	**245,945**	**224,972**
Intangible assets		
Development Costs	4,753	4,879
Industrial patents and intellectual property rights	347	256
Concessions, licenses, trademarks	122	115
Other intangible assets	843	1,147
Total intangible assets	**6,065**	**6,397**
Equity investments	2,572	1,394
- Associates and jointly-controlled companies		
carried at equity	*1,865*	*687*
- Other investments	*707*	*707*
Deferred tax assets	47,428	46,265
Long-term derivative financial instruments	-	-
Other long-term financial receivables	2,931	3,217
- of which related parties	*1,769*	*1,732*
Trade receivables and other long-term assets	2,051	6,129
Total financial assets	**54,982**	**57,005**
Total non-current assets	**306,993**	**288,374**
Current assets		
Inventories	149,227	145,269
Trade receivables and other short-term assets	318,161	328,965
- of which related parties	*12,243*	*6,596*
Current deferred tax assets	15,135	17,009
Other short-term financial receivables	132	121
Short-term derivative financial instruments and securities traded at fair value	-	15
Cash and cash equivalents	77,747	88,912
Total current assets	**560,402**	**580,290**
Assets held-for-sale	281,226	248,022
Non-current assets held-for-sale	**281,226**	**248,022**
TOTAL ASSETS	**1,148,621**	**1,116,686**

The Group applied IFRS 16 from January 1, 2019 utilising the modified retrospective application method, on the basis of which the comparative information was not restated and the cumulative effect from initial application is recognised to retained earnings at the initial application date.

(Euro thousands)

Shareholders' Equity	**30/06/2019**	**31/12/2018**
Share capital and reserves		
Share capital	82,290	82,290
Other reserves	212,980	152,395
Retained earnings/(Accumulated losses)	(443,090)	(239,333)
Net Loss	(25,666)	(143,427)
Group shareholders' equity	**(173,486)**	**(148,075)**
Minority interest shareholders' equity	**218**	**740**
Total Shareholders' Equity	**(173,268)**	**(147,335)**
LIABILITIES		
Non-current liabilities		
Long-term loans	451	331
Other lenders (long-term)	42,869	33,668
Deferred tax liabilities	33,835	35,360
Post-employment benefits	13,615	13,994
Long-term provision for risks and charges	7,002	6,766
Total non-current liabilities	**97,773**	**90,118**
Current liabilities		
Trade payables and other short-term liabilities	250,999	260,376
- of which related parties	*2,899*	*1,287*
Current tax liabilities	14,169	15,822
Short-term loans	665,271	658,348
Other lenders (short-term)	105,144	88,846
Short-term derivative financial instruments	246	374
Short-term provisions	16,897	13,115
Total current liabilities	**1,052,726**	**1,036,882**
Liabilities held-for-sale	171,390	137,022
Non-current liabilities held-for-sale	**171,390**	**137,022**
TOTAL LIABILITIES	**1,321,889**	**1,264,022**
TOTAL NET EQUITY AND LIABILITIES	**1,148,621**	**1,116,686**

The Group applied IFRS 16 from January 1, 2019 utilising the modified retrospective application method, on the basis of which the comparative information was not restated and the cumulative effect from initial application is recognised to retained earnings at the initial application date.

Consolidated cash flow statement

(Euro thousands)

	30/06/2019
Net Result attributable to Minority interests and Parent Company	(25,261)
Income taxes	5,654
Loss before taxes	**(19,607)**
(*) Amortisation, depreciation and write-downs	18,970
Financial (Income)/Charges	14,594
Changes in provisions for risks and charges and post-employment benefit provisions	2,642
Accruals to provisions for risks and charges	10,712
Utilisation risks provisions and post-employment benefit provisions	0
Value adjustments to financial assets and discontinued operations	(15,945)
(Gains)/losses to be realised or fixed asset write-downs	(478)
Cash flow from operating activities before working capital changes	**10,888**
(Increase)/Decrease in trade receivables	593
- of which related parties	0
(Increase)/Decrease in inventories	(865)
(Increase)/Decrease in other assets	1,584
Increase / (Decrease) in trade payables	3,011
- of which related parties	0
Increase/(Decrease) in other liabilities	3,779
Change in working capital	**8,103**
Interest expense and other charges	(14,594)
Taxes paid	(1,695)
Cash flow generated (absorbed) from financing activities (A+B+C+D)	**2,702**
Investing activities	
Operating (investments)	(22,724)
Operating divestments	6,434
Exchange rate differences	0
Net change in financial assets	(449)
Cash flow generated (absorbed) by investing activities	**(16,740)**
Financing activities	
Increase/(Decrease) share capital increase and treasury share buy-back reserves	0
Other changes, including those of minorities	(922)
Changes in loans and derivative financial instruments	6,931
Changes in financial lease liabilities and other lenders	(2,095)
Payment of dividends to parent company and minority shareholders	(1,041)
Cash generated (absorbed) from financing activities	**2,873**
Net change in cash and cash equivalents (E+F+G)	**(11,165)**
Opening cash and cash equivalents net of overdrafts	**88,912**
Change in cash and cash equivalents	**(11,165)**
Closing cash and cash equivalents	**77,747**
Cash and cash equivalents classified as assets held-for-sale	
Closing cash and cash equivalents	**77,747**

CONSOLIDATED NET CASH POSITION

	30/06/2019	31/12/2018	Changes
Bank payables (short-term)	(665,271)	(658,348)	(6,923)
Other lenders (short-term)	(105,144)	(88,846)	(16,297)
Short-term derivative financial instruments	(246)	(359)	113
Current financial assets	-	-	-
Short-term cash and cash equivalents	77,747	88,912	(11,165)
Total short-term	**(692,914)**	**(658,641)**	**(34,273)**
Bank payables (medium/long-term)	(451)	(331)	(121)
Other lenders (medium/long-term)	(42,869)	(33,668)	(9,202)
Securities at nominal value	-	-	-
Long-term derivative financial instruments	-	-	-
Total medium/long-term	**(43,321)**	**(33,998)**	**(9,323)**
Net financial position	**(736,235)**	**(692,640)**	**(43,595)**