TREVI - FINANZIARIA INDUSTRIALE S.p.A.: the Board of Directors approves the interim report as at 30 June 2020

- **Revenues of Euro 238.4 million (Euro 301.7 million at June 2019) down 21%**
- **Recurring EBITDA of Euro 34.3 million (Euro 24.1 million at June 2019) up 43%**
- **Operating profit of Euro 7.2 million (Euro -13.0 million at June 2019)**
- **The Group net profit is equal to Euro 251.5 million (Euro -25.7 million at June 2019)**
- **Total Net financial position of Euro 251.0 million (Euro 735.0 million at 31 December 2019)**

Cesena, 22 September 2020 - The Board of Directors of Trevi – Finanziaria Industriale S.p.A. (hereinafter also "**Trevifin**" or the "**Company**"), chaired by Luca d'Agnese, examined and approved the Trevi Group's interim report for the first half of 2020.

"Despite the unexpected and devastating spread of the pandemic _ underlines Giuseppe Caselli, Chief Executive Officer of the Trevi Group _ *it was possible to complete the capital strengthening of the Company thanks to the sale of Oil & Gas and the capital increase and to improve the Recurring EBITDA and EBIT compared to the previous year. These are positive results, far from obvious, which confirm that the work we started at 360 degrees on the renewal of processes, the refinement of products, a different approach to the markets and a particular attention to the cost optimization process together with the improvement of productive efficiencies is giving the first encouraging feedback. In the coming months, the construction and infrastructure market will be able to benefit, not only in Italy but also in the international areas where we are already present, from impressive post-Covid relaunch actions and we are working to get to these events at our best".*

Consolidated key financial figures

(in thousands of Euro)	**First semester 2020**	**First semester 2019**	***Changes***	***% change***
Total revenues	238,383	301,740	(63,357)	-21%
Recurring EBITDA (gross operating profit)	34,320	24,075	10,245	43%
EBITDA (gross operating profit)	32,256	18,259	13,997	77%
Operating Profit/(Loss) (EBIT)	7,183	(13,040)	20,223	n.a.
Net profit/(loss) from operating activities	258,352	(25,261)	283,613	n.a.
Net profit/(loss) from discontinued operations	(10,601)	0	(10,601)	n.a.
Net profit/(loss) for the year	247,751	(25,261)	273,012	n.a.
Group net profit/(loss)	251,470	(25,666)	277,136	n.a.

Order backlog and orders acquired

(in thousands of Euro)	**30/06/2020**	**31/12/2019**	***Changes***	***% change***
Order backlog	400,290	374,470	25,820	7%
(in thousands of Euro)	**First semester 2020**	**First semester 2019**	***Changes***	***% change***

Orders acquired	237,887	308,669	(70,782)	-23%

Trevi Group Net Financial Debt

(in thousands of Euro)	**30/06/2020**	**31/12/2019**	***Changes***	***% change***
Total net financial position	(250,969)	(735,022)	484,053	-66%

Group's workforce

	30/06/2020	**31/12/2019**	***Changes***	***% change***
Number of employees*	3,645	4,537	(892)	-20%

* the above number of employees as at 31 December 2019 does not include the resources in force in the Oil&Gas sector, which amounted to 1,366 employees.

Half-year operational performance

Total revenues amounted to about Euro 238.4 million as at 30 June 2020, compared to Euro 301.7 million as at 30 June 2019, down by approximately Euro 63.4 million. Please note that these values refer exclusively to the foundation engineering activities of the Trevi and the Soilmec Division, the Group's core business, in accordance with the application of IFRS 5 at 30 June 2019.
The recurring EBITDA and EBITDA indicators at 30 June 2020 amounted to approximately Euro 34.3 million and Euro 32,3 million, respectively. The difference between them is related to non-recurring charges which in 2020 amounted to approximately Euro 2.1 million (Euro 5.8 million in the first semester of 2019). The above charges are mainly attributable to the fees of some advisers who have worked with the Group in various capacities to ensure the successful outcome of the restructuring process, and to other charges of an extraordinary and/or non-recurring nature.
EBIT was equal to Euro 7.2 million as at 30 June 2020, an improvement compared to the figure for the same period of the previous year equal to negative Euro 13.0 million. In particular, the 2019 figures were affected by impairment losses on non-current assets, inventories and receivables deriving also from measurements resulting from the strategy of whether or not to remain in certain markets and the focus on certain countries as envisaged in the Business Plan 2018-2022.
The overall effects of the debt restructuring were equal to Euro 279.5 million.
Net profit of the Group at 30 June 2020 was Euro 251.5 million (Euro -25.7 million in the first semester of 2019).
The order backlog at 30 June 2020 amounted to Euro 400.3 million (at 31 December 2019 it was Euro 374.5 million). Orders acquired in the first semester of 2020 totalled approximately Euro 237.9 million, down by about 70.8 compared to the same period of the previous year.
During the first half of 2020, the Company completed the process of capital strengthening and restructuring of the financial debt started in 2017, also addressing the management challenges set by the Covid-19 pandemic, whose impacts and activities implemented will be detailed in the next paragraphs (see paragraph "COVID-19"). At 30 June 2020, the Company's net equity amounted to Euro 124.0 million (Euro -268.6 million at 31 December 2019), thus overcoming the issues related to the presence of the conditions referred to in Article 2447 of the Italian Civil Code. At 30 June 2020, the Group's net equity was equal to Euro 156.7 million (Euro -219.1 million at 31 December 2019), while the total net equity was Euro 154.9 million (Euro -222.2 million at 31 December 2019).

The market context
In the first half of 2020, the spread of the Covid-19 pandemic at a global level negatively affected the world macroeconomic scenario, with a simultaneous sharp adjustment in the prices of oil products which began in January due to the sudden and unexpected contraction in the Chinese demand linked to the measures taken to limit the spread of the virus.
In view of the rapid spread of the virus, many governments have progressively applied extraordinary measures to restrict the movement of goods and people and to close down factories and production activities, in addition to quarantine obligations.
To cope with the economic crisis, numerous governments of the affected countries and various supranational entities have taken extraordinary measures to support household incomes, corporate liquidity and guarantee access to credit. Despite the support measures enforced and those being prepared and implemented, the global economic trend for the year 2020 is still expected to continue in sharp decline.
The crisis, if managed effectively, could be temporary: the substantially unlimited commitment of central banks represents an important element that can make one confident about the speed of recovery of the economies starting next year.
As for Oil & Gas, after the aforementioned abrupt collapse in oil prices in the first quarter, the second quarter saw prices recover as soon as a rebalancing between supply and demand appeared. However, it should be remembered that on 31 March 2020, the Oil & Gas Division of the Trevi Group was sold to the Indian Group MEIL as part of the more general capital strengthening and debt restructuring manoeuvre.

Acquisitions and order backlog
Orders acquired by the Trevi Group in the first half of 2020 amounted to approximately Euro 238 million, compared to approximately Euro 308.7 million in the same period of the previous year, of which approximately Euro 203 million relating to the Trevi Division (Euro 193 million in the corresponding period of 2019) and Euro 35 million in the Soilmec Division (Euro 115.8 million in the corresponding period of 2019), gross of intra-divisional orders.
The Trevi Group's order backlog as at 30 June 2020 amounted to Euro 400.3 million (Euro 374.5 million as at 31 December 2019). As regards the breakdown by Division, Euro 357 million refer to the Trevi Division (Euro 328 million at 31 December 2019), while Euro 43 million refer to the Soilmec Division (Euro 50 million at 31 December 2019).

The performance trend
The Trevi Group's revenues in the first half of 2020 amounted to Euro 238.4 million, namely, Euro 63.4 million lower than Euro 301.7 million of the first half of 2019. The reduction in revenues is essentially due to the lower volumes of orders acquired in the first half of 2020 at an international level, which in turn mainly result from the negative effect caused on the world economy by the Covid-19 pandemic. In fact, the pandemic had very significant effects until May 2020, causing suspensions or slowdowns in the works in many construction sites and, in general, for most of the production activities. These effects continue to influence and negatively limit many production activities in various geographical areas.
Nonetheless, for the Trevi Division, the growing trend in the European market continues also in the first half of 2020; this market still represents the new reference point for strategic development: particularly in Italy, Monte Carlo, France, Germany and Norway, production revenues are up compared to the first half of 2019. Furthermore, again in Europe, better operating results are found due to the definition of some negotiations on variants of projects under construction. On some construction sites it was possible to obtain the recognition of the so-called stand-by rates which covered part of the construction costs during the lockdown.
In the Far East, there is a two-speed trend: in Hong Kong, important changes were obtained and implemented during the construction of the project at the International Airport, while in the Philippines, due to the almost total stop of the works for the Covid-19, the production achieved in the half year has significantly reduced compared to the previous year. However, positive signs of recovery have already been highlighted in June and this contributes to giving positive signs for the second half of 2020.

Activities in Algeria and Nigeria were slightly down, where the lockdown caused difficulties for local and expatriate personnel as regards their transfer to and from the construction sites. In the Middle East there is still a general negative trend in the construction sector, both due to the repercussions of the collapse in the price of oil and the lockdown, which occurred especially in Saudi Arabia, resulting in de facto blocking of public works and a substantial freezing of private activities. It should be considered, in the comparison of the revenues of the first half of 2020 with the previous year, that in the first half of 2019 there was the contribution of the Mosul contract in Iraq, completed in July 2019, which had generated revenues of about Euro 23.7 million.
Revenues in all countries of South America and North America decreased due to Covid-19. The latter market continues, however, to boast a great growth potential for the Foundations sector and guarantees important acquisitions of works for the Group. In fact, some important initiatives have been identified that allow us to be optimistic for the next few years.

With reference, however, to the Soilmec Division, the impact of Covid-19 on construction sites has substantially resulted in a blockage of investments in equipment due to the great climate of uncertainty. The signs of recovery in orders were recorded only at the end of June. It should be noted that the supply chain has also been significantly affected by the blocking of production activities and the general slowdown of the respective markets, generating delays and inefficiencies that have made the production process of the production company in Cesena critical. In order to limit the economic and financial impact of the above, extraordinary cost containment measures have been adopted (layoffs in Italian offices, use of similar tools available in foreign countries) and the blocking of investments. Customer support activities were also intensified in terms of product customizations or adaptations in order to seize every order acquisition opportunity available on the market. The start-up of the new SR-45 and SR-65 assembly line should be noted, which is set according to the logic of "Lean Production", such as to guarantee a faster and more reliable order fulfilment associated with greater efficiency of the production process. The decrease in turnover in the first half of 2020 compared to the previous year occurred in all geographical areas, with the exception of North America, which is the only area that has shown growth in the period on an organic basis. It should be remembered that in December 2019, 80% of the share capital of the US company Watson Inc. was sold, which had contributed in the first half of 2019 with approximately Euro 12.7 million and Euro 0.5 million of recurring EBITDA.
It is important to note that the Group, in line with the 2018-2022 business plan, has also undertaken a thorough review of the corporate cost structure and optimization of business processes, in particular by launching IT projects for the preparation of the consolidated financial statements and reporting on the Tagetik platform, as well as for the installation of the SAP/4 HANA ERP system, which includes the module for centralized treasury management.
The reductions in labour costs were significant, both due to the reduction in the Group's workforce, which went from 4,537 units at 31 December 2019 to 3,645 units at 30 June 2020 and due to cost containment actions.

Execution of the capital strengthening and restructuring of the Group's financial debt.
As is known, Trevi - Finanziaria Industriale SpA, in order to overcome the serious situation of economic, equity and financial tension that emerged at the beginning of the 2016 financial year, in 2017 started a corporate restructuring process of the Group it heads, based on a financial manoeuvre subject to final approval by the Trevifin Board of Directors on 8 May 2019 and on 17 July 2019. In a nutshell, this manoeuvre provided for: (i) a recapitalization of Trevifin for a total amount equal to a maximum of Euro 213 million, approved by the Board of Directors of Trevifin on 17 July 2019 in execution of the delegation conferred to it by the Extraordinary Shareholders' Meeting of the Company pursuant to Article 2443 of the Italian Civil Code on 30 June 2018; (ii) the restructuring of the main part of the Group's debts, to be implemented under the terms of some debt restructuring agreements pursuant to Article 182 bis of the Italian Bankruptcy Law which Trevifin and some Group companies subscribed to with the relative creditor banks on 5 August 2019, subsequently approved on 10 January 2020 by the Bologna Court of Appeal and concerning a total debt of approximately Euro 639 million at 31 December 2019 (jointly, the "Restructuring Agreement"); (iii) the disbursement by

banks of new financial resources up to a maximum amount of Euro 41 million; and (iv) the divestment of the Oil & Gas Division in favour of the Indian group MEIL for a price of approximately Euro 116.4 million.

The overall Trevifin re-capitalization and restructuring of the Trevi Group's financial debt was carried out during the first half of 2020, and in particular:

- With decrees of 10 January 2020, notified to Trevifin, Trevi S.p.A. and Soilmec S.p.A. on 21 January 2020, the Court of Appeal of Bologna accepted the complaints against the provisions of the Court of Forlì of 7 November 2019 (received by the three companies on 15 November 2019) that rejected the approval of the Restructuring Agreement and, therefore, approved the Restructuring Agreement;
- Trevifin took therefore prompt action to complete all the transactions provided for in the Restructuring Agreement as quickly as possible, including the sale of the Oil & Gas Division to the Indian group MEIL and the execution of the capital increase, better described below in this report.

Disposal of Oil & Gas Division

As already mentioned, the restructuring operation has provided for the exclusive focus of the Group on its core business consisting of foundation engineering and, therefore, the activities of special foundations, tunnel excavation and soil consolidation and the construction and marketing of machinery and specialist equipment in the sector. This entailed the Group's decision to dispose of the Oil & Gas Division which was determined, on the one hand, by losses accumulated by the Oil & Gas Division since 2015 and, on the other, by the Group's desire to leave a sector characterised by the need to employ significant cash resources and, consequently, to focus exclusively on its core business.

Following the binding offer submitted by MEIL on 4 December 2018 and accepted by Trevifin on 5 December 2018, on 5 August 2019, Trevifin, Trevi S.p.A., Soilmec S.p.A., Trevi Holding U.S.A. Corporation (jointly, the "**Sellers**") and MEIL Global Holdings B.V., a Dutch company directly controlled by MEIL (the "**Buyer**") signed a sale and purchase agreement aimed at governing the terms and conditions of the sale to the Buyer of the Oil & Gas division comprising the entire share capital of Drillmec S.p.A., Petreven S.p.A. and Drillmec Inc. as well as certain subsidiaries and investee companies of the latter (the "**Oil&Gas Disposal**").

On 28 February 2020 (date of the first closing) and 31 March 2020 (date of the second closing), the Sellers, on the one hand, and the Buyer, on the other, executed the contract, assigning the Buyer the entire share capital of Drillmec, Petreven, Drillmec Inc. and some subsidiaries and investee companies of the same, for a debt-free consideration of approximately Euro 116.4 million.

The execution of the re-capitalization operation

With reference to the execution of the re-capitalization operation, on 29 May 2020 Trevifin announced that the capital increase of the Company approved by the Board of Directors on 17 July 2019 and 24 February 2020, was successfully completed, based on the proxy granted by the Extraordinary Shareholders' Meeting of 30 July 2018 (the "**Capital Increase**"), by which No. 15,083,921,496 newly issued ordinary shares of the Company were subscribed, for a total value of Euro 150,839,214.96.

In particular:

- The tranche of the capital increase offered with rights of first refusal to shareholders was fully subscribed for Euro 130,001,189.07, of which Euro 87,701,972.96 through cash payment and Euro 42,299,216.02 by the main banks converting financial receivables due from the Company, at a conversion ratio of 4.5:1 (the "**Share Capital Increase with Right of First Refusal**"). As part of the Share Capital Increase with Right of First Refusal, the institutional shareholders FSI Investimenti S.p.A. (subsidiary of CDP Equity) and Polaris Capital Management, LLC have subscribed and paid up in cash a total amount of Euro 77,456,654.00 (equal to Euro 38,728,327.00 each), in fulfilment of the underwriting commitments undertaken under the investment agreement signed with the Company on 5 August this year; and

- The tranche of capital increase reserved to the lending banks, with the exclusion of right of first refusals, was subscribed for Euro 20,838,025.89 by converting the financial receivables due to the banks themselves from the Parent, at the same conversion ratio of 4.5:1 (the "**Share Capital Increase by Conversion**").

Following the completion of the share capital increase, Trevifin's share capital was equal to Euro 97,475,554, divided into 15,085,569,328 shares.
At the end of the capital increase, Trevifin's share capital is held as follows:

- 25.67% by FSI Investimenti S.p.A. (subsidiary of CDP Equity Sp.A.)
- 25.67% by Polaris Capital Management, LLC;
- 41.85% by banks and financial institutions that have entered into subscription commitments under the Restructuring Agreement; and
- 6.81% by other investors.

The financial manoeuvre illustrated above resulted in an overall re-capitalization of the Company for approximately Euro 393 million and a significant reduction in the net financial position of the group, which at 30 June 2020 was equal to approximately Euro 251 million.

COVID-19

The activity of the Trevi Group was significantly influenced in the first half of 2020 by the spread of Covid-19 both on the national territory and in many of the countries in which the Group operates. The impact of this pandemic made it necessary for the Group to adopt suitable measures to fight it to ensure the safety of employees and the management of the economic consequences, which mainly resulted from the suspension of work on construction sites in countries whose local governments progressively imposed extraordinary measures to limit the circulation of goods and people and the closure of factories and production and commercial activities, as well as from the postponement in the signing of new contracts or the sale of rigs. In order to be able to effectively manage decisions, a "task force" was set up on 26 February 2020, in which the Group CEO participated, who monitored operational issues on a daily basis and approved the actions to be implemented. The main actions undertaken in the period were, in particular:

- Information to staff (internal and external) through a package of information updated from time to time with the rules to be respected in the company premises, with the obligation to remain at home in the presence of fever and, in any case, to comply with all the provisions of the Authorities and the Employer;
- How to enter the company: as of 21 January 2020, trips to the Far East have been limited and Soilmec employees returning from China and Singapore have been placed in precautionary quarantine for 14 days. Furthermore, from 26 February 2020, all employees are required to monitor their temperature daily and, in the event of evidence of feverish state (from 37 ° onwards), it is forbidden to go to work. In order to ensure maximum prevention, as already implemented since March 2020, the body temperature of all incoming people is measured. To this end, a thermoscanner system was installed in April 2020 at the entrance of the Cesena headquarters (Trevifin, Trevi SpA, Soilmec SpA), while in all other locations/construction sites the temperature is monitored with infrared thermometers; an adequate procedure was also set up for the entry of external suppliers as well as a medical Help Desk. The Employer of companies based in Italy informs in advance the staff and those who are willing to enter the company, of the access foreclosure to those who, in the last 14 days, have had contact with subjects who tested positive for Covid-19. The entry of personnel who have already tested positive can only take place after a medical examination;
- *Smart working*: from 10 March 2020 smart working has been facilitated for employees and managers, except for those deemed necessary for the management of Operations; Communications were sent to the Trevi and Soilmec construction sites and workshops on the obligation to carry out activities with interpersonal distance of less than one meter only with masks and the obligation to interrupt activities in the absence of Personal Protective Equipment (PPE). It should be noted that in Soilmec, between March

and April 2020, remote work involved over 90% of employees and executives not involved in Operations, while production and logistics were kept operational in the presence of about 60% of the workforce even in the most complex weeks. Furthermore, a single shift was established from 8:00 to 15:30 in the production plant;

- Since March 2020, in addition to the usual cleaning routine, daily sanitation activities have been launched for closed spaces and appurtenant areas through the destruction or deactivation of pathogenic microorganisms. Sanitization activities were also launched in March 2020, which take place both daily and weekly, and are carried out in all buildings and outdoor areas and whose purpose is to sanitize closed spaces and appurtenant areas through cleaning, disinfection and sanitization. Specific protocols are prepared by the cleaning service providers, as well as the technical data sheets of the products used. Suppliers will issue a report for each sanitization activity carried out, also in compliance with the indications of the competent authorities;
- The purchase of specific PPE for Covid-19 has been centralized for the purchase and distribution phase;
- The company organization has been thoroughly revised, with diversified and staggered entry times, the closing of the canteen for a long period, the closing of the factory changing rooms, the obligation to wear a mask in all common and transit areas, the review of the occupation of office spaces and the organization of meetings and training online via Teams. Company training in the classroom was suspended and reactivated on 15 July 2020;
- Special protocols have been defined for the management of any interventions of the Emergency Group, for the management of symptomatic people, and for health surveillance. The latter also continues after 30 June 2020, in compliance with the hygiene measures contained in the decalogue provided by the Ministry of Health and according to the necessary limitations provided by the competent doctor in relation to the epidemiological emergency Covid-19 (for example, postponed spirometry). Since March 2020, the Company Doctor constantly monitors fragile and hypersensitive workers. Furthermore, a statistical screening with serological tests of the employees was carried out at the Cesena headquarters.

Starting from May 2020, and once again gradually in relation to the regression of the epidemic and the contrast measures adopted, a part of the staff working in the office resumed work in the Cesena premises, decreasing the use of remote work, which remained however, a necessary way of organizing work in rotation in each office.

The Group has resorted to the following personnel management measures, to limit the economic effects of Covid-19: in addition to the massive management of smart working, the disposal of previous holidays was favoured (both at the headquarters and at the construction sites), layoffs were used for the companies based in Italy between March and May and for the Italian personnel in the suspended construction sites in Europe. Other personnel management actions have been implemented: incentive plans have been revised, hires have been restricted, the continuation of the secondment and the suspension of shifts and returns (for example in the Philippines) have been managed and secondments and repatriations (for example in France) have been cancelled, along with incentives in Germany for the continuation of “business as usual” activities to give continuity to the construction sites. In the event of repatriation or transfer to a third country with the continuation of the smart working activity, the "expatriate" remuneration packages were revised, with the cancellation of the foreign and complementary allowances. Continuous tracking and planning of expiring work permits and changes in the regulations that have occurred over time in individual countries was carried out. Overall, the benefits obtained from the disposal of holidays amounted to Euro 1.0 million, while another million was obtained as benefits from the Redundancy Fund.

The Group noted the following negative effects that occurred between March and April deriving from the spread of the Coronavirus pandemic and/or from the measures taken by the government authorities of the countries indicated:

- The Group's construction sites in France, Austria, Philippines, Oman, Kuwait, Argentina, Colombia, Venezuela and Nigeria have been stopped;
- Construction sites in Boston (Massachusetts) in the United States were stopped, while construction sites in Florida and Tennessee continued with some operational difficulties, as well as in Hong Kong, Chile, Monte

Carlo, Algeria, Saudi Arabia, UAE and Australia;
- Furthermore, due to the Coronavirus, negotiations for the sale of Soilmec rigs slowed down and several construction sites in Italy faced operational and logistical difficulties, with the exception of the Rome Metro C construction site;
- The start of the execution of the works for the new contract acquired in Norway in February 2020 has been postponed due to the suspension of air flights to Norway and the consequent inability to start the "mobilization" for the opening of the site. Operations are active in the offices of the Italian companies and their factories and construction sites, both in presence and in smart working, in compliance with the existing regulations and the precautions enforced by the companies of the Group. Abroad, all of our construction sites are open and active; there are only some restrictions on the movement of employees in Argentina and Venezuela.

In Italy, the companies Trevi S.p.A., Soilmec S.p.A. and PSM S.p.A. have used government support by participating in the project Click Day of Invitalia for the purchase of PPE, obtaining Euro 76,797 used for the purchase of PPE, thermal scanners and sanitizing gels. The companies Soilmec S.p.A. and PSM S.p.A., by virtue of the rule of Article 18 of the Italian Legislative Decree No.23 of 8/4/2020 (the so-called Liquidity Decree), suspended the payment of the above withholding taxes, charges and taxes for an amount respectively equal to Euro 700 thousand and Euro 94 thousand. The law provided for the suspension of payments due in the month of April and May 2020 relating to withholding taxes on income from employees and similar, VAT and social security contributions, provided that the company had suffered a decrease in turnover (equal to 33% or 50% depending on the size limits) with respect to the month of March and April relating to the previous tax period; the payments will be made for 50% in the current year in four instalments and for the remaining part in the year 2021. Article 24 of the Italian Legislative Decree dated 19 May 2020, No. 34 (the so-called Relaunch Decree) has provided, in the presence of specific conditions, that the Irap balance on the 2019 tax period and the first Irap advance payment on the 2020 tax period are not due. The company Trevi S.p.A., by virtue of the aforementioned rule, obtained an Irap tax saving of approximately Euro 100 thousand. It should be noted that other Group companies have received government aid such as payment of salaries (a form of layoffs) and deferred payment of taxes (in Saudi Arabia, Argentina, Colombia and Uruguay).

Significant events after the reporting period at 30 June 2020

In the months of July and August 2020, the activities of production, negotiation and acquisition of new orders continued, according to the most recent forecasts made for the current year. Operations are active in the offices of the Italian companies and their factories and construction sites, both in presence and in smart working, in compliance with the existing regulations and the precautions enforced by the companies of the Group. Abroad, all of our construction sites are open and active; there are only some restrictions on the movement of employees in Argentina and Venezuela.

In the two months of July and August, new orders were acquired for approximately Euro 83.5 million, of which Euro 68.5 million relating to the Trevi Division and Euro 16.4 million relating to the Soilmec Division, gross of intra-group orders. Overall, the orders acquired by the Trevi Group in the eight months ended on 31 August 2020 amounted to Euro 321.4 million, compared to the Euro 375.8 million acquired in the same period of 2019. The Group's order backlog as at 31 August 2020 was equal to approximately Euro 392.4 million (it was Euro 458.8 million at 31 August 2019).

It should be noted that on 9 July 2020, Ms Milena Motta resigned as Chairman of the Board of Statutory Auditors and as Statutory Auditor of Trevifin for personal reasons. In application of Article 2401 of the Italian Civil Code and until the date of the next Shareholders' Meeting, the Alternate Auditor Mara Pierini takes over the role of Statutory Auditor, while the Statutory Auditor Marco Vicini takes over the presidency of the Board of Statutory Auditors.

It should also be noted that on 10 July 2020 the Board of Directors, having acknowledged the resignation of Mr. Sergio Iasi from the position of Director in charge of the internal control and risk management system, has conferred the related powers on Eng. Giuseppe Caselli, Trevifin CEO.

Finally, it should be noted that on 31 July 2020 Eng. Stefano Trevisani, executive director of the Company, lacking the requisites of independence and who did not hold positions in the internal board committees, resigned from his position to undertake a new professional career, also renouncing the position of Chief Executive Officer of the subsidiary Trevi S.p.A. and defining an agreement for the consensual termination of the executive employment relationship that linked him to the Company. The Board of Directors of the Company will take care to provide, during a future meeting, for the co-opting of a new member pursuant to Article 2386 of the Italian Civil Code as well as the Board of Directors of Trevi S.p.A..

Outlook

At the date of this report and in light of the information available to the Issuer, the forecasts for 2020 of revenues of Euro 489 million and a recurring EBITDA of approximately Euro 52 million, already formulated at the beginning of April 2020, are confirmed. In fact, production and sales activities, already positively restarted by both the Trevi and Soilmec divisions, are expected to continue in the coming months.
As regards, instead, the evolution of future years, it should be noted that the measures currently being prepared by the European Union, the Italian government and that of other European and non-European countries provide that the revival of the economy can mainly take place through extraordinary investment plans that will see the infrastructure sector as one of the most interested and promoted, a circumstance from which the Group's activities could benefit in the future.
However, it should be noted that the Group's forecasts could be influenced by unforeseeable exogenous factors outside the control of the management, which could substantially change the results of the forecasts. Furthermore, the monitoring and high attention paid to the evolution of the Covid-19 pandemic continues, both in Italy and in the European and non-European countries of interest to the Group. In the coming months, in any case, both the revision projects of the Group's operating costs structure and the optimization of commercial and industrial processes will continue, as well as the implementation of the SAP 4/HANA ERP system.

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The C.F.O., Massimo Sala, as manager responsible for preparing the corporate accounting documents, and pursuant to Art. 154-bis, paragraph 2 of the Consolidated Law on Finance, declares that the accounting information contained in this press release corresponds to the documentary results, books and accounting records.

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About Trevi Group:

Trevi Group, is a worldwide leader in the whole field of foundation engineering (special foundations, soil consolidation, recovery of polluted sites), in the design and marketing of specialist technologies in the sector and the construction of automated multi-storey underground car parks. The Group was set up in Cesena in 1957, has around 70 companies and is present in over 90 countries with its dealers and distributors. Among the reasons for the Trevi Group's success are the internationalization, the integration and the continuous exchange between its two divisions: Trevi, which carries out special foundation and soil consolidation works for large infrastructure projects (subways, dams, ports and docks, bridges, railway and freeway lines, industrial and civil buildings) and Soilmec, which designs, manufactures and markets machinery, plants and services for the foundation engineering.
The holding (Trevi-Finanziaria Industriale S.p.A.) has been listed on the Milan stock exchange since July 1999.

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Consolidated statement of financial position

(in thousands of Euro)

ASSETS	30/06/2020	31/12/2019
Non-current assets		
Tangible assets		
Land and buildings	50,569	52,227
Plant and machinery	111,761	128,731
Industrial and commercial equipment	25,432	30,560
Other assets	13,669	16,809
Assets under construction and payments on account	4,422	3,219
Total tangible assets	**205,853**	**231,546**
Total right of use tangible assets		
Intangible assets		
Development costs	6,265	5,260
Industrial patents and intellectual property rights	154	290
Concessions, licences and trademarks	232	142
Goodwill	0	0
Assets under development and payments on account	957	218
Other intangible assets	1,195	884
Total Intangible Assets	**8,803**	**6,794**
Investment property	0	0
Equity investments	4,500	4,000
- Equity investments in associates and joint ventures accounted for using the equity method	4,267	*3,403*
- Other equity investments	233	*597*
Deferred tax assets	43,016	44,163
Non-current derivative financial instruments	0	0
Other long-term financial receivables	13,725	3,283
- of which with related parties	1,354	*1,353*
Trade receivables and other long-term assets	2,222	2,946
Total financial assets	**63,463**	**54,392**
Total non-current assets	**278,119**	**292,732**
Non-current assets held for sale	**(93)**	**250,420**
Assets held for sale	(93)	250,420
Current assets		
Inventories	139,567	118,897
Trade receivables and other short-term assets	255,823	289,331
- of which with related parties	13,310	*14,711*
Current tax assets	9,722	12,086
Current derivative financial instruments	0	0
Current financial assets	2,616	11,122
Cash and cash equivalents	105,107	77,709
Total current assets	**512,835**	**509,145**
TOTAL ASSETS	**790,861**	**1,052,297**

(in thousands of Euro)

NET EQUITY	30/06/2020	31/12/2019
Share capital and reserves		
Share capital	97,374	82,290
Other reserves	289,682	157,181
Losses carried forward	(481,831)	(382,760)
Profit/(Loss) for the year	251,470	(75,802)
Group Net Equity/(Deficit)	**156,694**	**(219,091)**
Capital and reserves of non-controlling interests	**1,955**	**(914)**
Loss attributable to non-controlling interest	(3,719)	(2,162)
Deficit attributable to non-controlling interest	**(1,764)**	**(3,076)**
Total Net Equity/(Deficit)	**154,930**	**(222,167)**
LIABILITIES		
Non-current liabilities		
Long-term loans	209,445	7,656
Long-term loans and borrowings from other financial backers	69,056	25,764
Non-current derivative financial instruments	(0)	0
Deferred tax liabilities	26,878	31,729
Post-employment benefits	13,094	13,682
Long-term provisions	6,664	7,235
Other long-term liabilities	12,159	41
Total non-current liabilities	**337,297**	**86,107**
Non-current liabilities held for sale	**471**	**150,455**
Liabilities held for sale	471	150,455
Current liabilities		
Trade payables and other short-term liabilities	190,056	224,280
- of which with related parties	832	*2,363*
Current tax liabilities	8,868	12,631
Short-term loans	56,358	553,193
Short-term loans and borrowings from other financial backers	35,345	238,316
Current derivative financial instruments	0	132
Short-term provisions	7,536	9,350
Total current liabilities	**298,163**	**1,037,902**
TOTAL LIABILITIES	**635,931**	**1,274,464**
TOTAL NET EQUITY/(DEFICIT) AND LIABILITIES	**790,861**	**1,052,297**

(in thousands of Euro)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS	30/06/2020	30/06/2019
Turnover from sales and services	214,704	288,319
- of which with related parties	664	5,127
Other operating revenues	23,678	13,421
- of which with related parties	2,757	-
Sub-total of revenues	**238,383**	**301,740**
Raw materials and consumables	(76,679)	(104,031)
Change in raw materials, consumables, supplies and goods	15,729	2,651
Personnel expense	(68,792)	(85,126)
Other operating expenses	(86,121)	(107,311)
- of which with related parties	(49)	(2,780)
Depreciation and amortisation	(21,784)	(21,528)
Provisions and impairment losses	(3,289)	(9,770)
Internal work capitalised	7,002	2,005
Changes in inventories of finished and semi-finished products	2,735	8,330
Operating profit/(loss)	**7,183**	**(13,040)**
Financial income	288,185	3,888
- of which attributable to the Restructuring Manoeuvre	244,289	
(Financial expense)	(30,463)	(13,293)
- of which attributable to the Restructuring Manoeuvre	(20,048)	
Losses on exchange rates	(5,369)	(577)
Sub-total of financial income/(expense) and gains/(losses) on exchange rates	**252,353**	**(9,982)**
Adjustments to financial assets	(281)	729
Profit/(loss) from assets held for disposal	0	0
Profit/(loss) before taxes	**259,255**	**(22,293)**
Income taxes	(904)	(2,968)
Net profit/(loss) from operating activities	**258,352**	**(25,261)**
Net profit/(loss) from assets held for sale	(10,601)	0
Net profit/(loss) after taxes	**247,751**	**(25,261)**
Attributable to:		
Shareholders of the Parent Company	251,470	(25,666)
Non-controlling interests	(3,719)	405
	247,751	**(25,261)**

Consolidated Statement of Comprehensive Income

(in thousands of Euro)

	30/06/2020	30/06/2019
Profit/(loss) for the year	**247,751**	**(25,261)**
Other items of Comprehensive Income that will be subsequently reclassified to profit/(loss) for the year		
Currency translation reserve	(531)	370
Total of other items of Comprehensive Income that will be subsequently reclassified to profit/(loss) for the year net of taxes	**(531)**	**370**
Other items of Comprehensive Income that will not be subsequently reclassified to profit/(loss) for the year:		
Actuarial gains/(losses)	0	0
Income taxes	0	0
Total of other items of Comprehensive Income that will not be subsequently reclassified to profit/(loss) for the year net of taxes	**0**	**0**
Comprehensive profit/(loss) net of taxes	**247,220**	**(24,891)**
Shareholders of the Parent Company	250,965	(25,410)
Non-controlling interests	(3,745)	519

Consolidated statement of changes in net equity

(in thousands of Euro)

Description	**Share Capital**	**Other reserves**	**Retained earnings**	**Total of the Group**	**Non-controlling interests**	**Total Net Equity**
Balance at 01/01/19	**82,290**	**157,181**	**(458,562)**	**(219,091)**	**(3,076)**	**(222,167)**
Profit/(loss) for the year			251,470	251,470	(3,719)	247,751
Actuarial gains/(losses)				0		0
Other comprehensive profit/(loss)		(505)		(505)	(26)	(531)
Total comprehensive profit/(loss)	**0**	**(505)**	**251,470**	**250,965**	**(3,745)**	**247,220**
Distribution of dividends				0		0
Share capital increase	15,084	135,028		150,112	3,984	154,096
Acquisitions/disposals			(25,293)	(25,293)	1,074	(24,219)
Balance at 30/06/20	**97,374**	**291,704**	**(232,385)**	**156,693**	**(1,764)**	**154,929**

Consolidated statement of cash flows

(in thousands of Euro)

		30/06/2020	30/06/2019
	Net profit/(loss) for the year attributable to the Parent Company and third parties	247,751	(25,261)
	Income taxes	(904)	5,654
	Profit/(loss) before taxes	**246,847**	**(19,607)**
	Amortisation, depreciation and write-downs	22,410	18,970
	Financial (income)/expense	(258,107)	14,594
	Change in provisions for risks and charges and for post-employment benefits	2,936	2,642
	Provisions for risks and charges	3,545	10,712
	Use of provisions for risks and charges	(5,100)	0
	Adjustments to financial assets and discontinued operations	281	(15,945)
	(Gains)/losses from the sale or impairment of non-current assets	(390)	(478)
(A)	**Cash flow from operating activities before changes in the Working Capital**	**12,421**	**10,888**
	(Increase)/Decrease in inventories	(25,858)	(865)
	(Increase)/Decrease in trade receivables	5,601	593
	Increase/(Decrease) in trade payables	(11,188)	3,011
	(Increase)/Decrease in other assets/liabilities	(8,368)	5,363
(B)	**Changes in working capital**	**(39,813)**	**8,103**
(C)	Financial income collected/Interest expense paid	(10,116)	(14,594)
(D)	Taxes paid	(4,474)	(1,695)
(E)	**Cash flow generated/(absorbed) from operating activities (A+B+C+D)**	**(41,981)**	**2,702**
	Investment activities		
	Operating (Investments)/Disinvestments	(4,756)	(16,290)
	Exchange rate differences		
	Net change in financial assets	(451)	(449)
(F)	**Cash flow generated/(absorbed) in investment activities**	**(5,207)**	**(16,740)**
	Financing activities		
	Increase/(Decrease) in Share Capital and reserves for the purchase of treasury shares	15,084	0
	Other changes including those in non-controlling interests	72,592	(922)
	Changes in loans, financing, derivative financial instruments	31,594	6,931
	Changes in leasing liabilities and other financing	(122,681)	(2,095)
	Dividends collected/(paid)	0	(1,041)
(G)	**Cash flow generated/(absorbed) in financing activities**	**(3,410)**	**2,873**
(H)	**Change in discontinued assets/(liabilities)**	**87,965**	**0**
	Net Change in Cash Flows (E+F+G+H)	**37,367**	**(11,165)**
	Cash and cash equivalents at the beginning of the year	**77,709**	**88,912**
	Change in cash flows for assets held for sale	**(8,444)**	**0**
	Effects of change in exchange rates on cash and cash equivalents	(1,525)	0
	Net change in cash flows	**37,367**	**(11,165)**
	Cash equivalents at the end of the year	**105,107**	**77,747**

Consolidated Net Financial Position

(in thousands of Euro)

	30/06/2020	31/12/2019	Changes
Short-term bank loans and borrowings	(56,358)	(553,193)	496,835
Short-term loans and borrowings from other financial backers	(35,345)	(238,316)	202,971
Current derivative financial instruments	0	(132)	132
Current financial assets	2,616	10,977	(8,361)
Short-term cash and cash equivalents	105,107	77,709	27,398
Total short-term	**16,019**	**(702,955)**	**718,974**
Medium/Long-term bank loans and borrowings	(209,445)	(7,656)	(201,789)
Medium/Long-term loans and borrowings from financial backers	(69,056)	(25,764)	(43,292)
Total medium/long-term	**(278,501)**	**(33,420)**	**(245,081)**
Net financial debt (in accordance with Consob notice of 28 July 2006 No. DEM/6064293)	**(262,481)**	**(736,375)**	**473,894**
Non-current financial assets	11,512	1,353	10,159
Total net financial position	**(250,969)**	**(735,022)**	**484,053**