



## TREVI - FINANZIARIA INDUSTRIALE S.p.A.: THE BOARD OF DIRECTORS APPROVES THE DRAFT FINANCIAL STATEMENTS AT 31 DECEMBER 2020

- REVENUE OF EURO 491.3 MILLION (EURO 623.2 MILLION IN 2019)
- RECURRING EBITDA OF EURO 50.2 MILLION (EURO 59.4 MILLION IN 2019)
- POSITIVE EBIT FOR EURO 0.6 MILLION (EURO -36.9 MILLION IN 2019)
- GROUP NET PROFIT EQUAL TO EURO 241.5 MILLION (EURO -75.8 MILLION IN 2019)
- NET FINANCIAL POSITION OF EURO 269.4 MILLION (EURO 736.4 MILLION AT 31 DECEMBER 2019)
- RESOLUTION TO CONVENE THE ORDINARY SHAREHOLDERS' MEETING ON 31 MAY 2021 AND ON SECOND CALL ON 1 JUNE 2021

*Cesena, 28 April 2021* – The Board of Directors of Trevi - Finanziaria Industriale S.p.A. ("**Trevifin**" or the "**Company**"), chaired by Luca d'Agnesi, has today examined and approved the draft individual and consolidated financial statements for the year ended 31 December 2020.

### Key financial figures

*(in thousands of Euro)*

	31/12/2020	31/12/2019	Change	% change
Total revenue	491,315	623,204	(131,889)	-21%
Recurring EBITDA	50,174	59,436	(9,262)	-16%
EBITDA	45,387	42,454	2,933	7%
EBIT	553	(36,896)	37,449	n/a
Net profit/(loss) from operating activities	249,576	(66,523)	316,099	n/a
Net loss from discontinued operations	(12,840)	(11,440)	(1,400)	-12%
Net profit/(loss) for the year	236,736	(77,963)	314,699	n/a
Group net profit/(loss)	241,468	(75,802)	317,270	n/a

## Total revenue

The breakdown of total revenue by business segment is as follows:

(In thousands of Euro)

Assets	31/12/2020	%	31/12/2019	%	Change	%
Special foundation works	377,627	76%	417,227	67%	(39,600)	-9.49%
Production of special machinery for foundations	118,458	24%	209,089	33%	(90,631)	-43.35%
Interdivisional write-offs and adjustments	(6,446)		(11,847)		5,401	
<b>Sub-total Foundations Sector (Core Business)</b>	<b>489,639</b>	<b>100%</b>	<b>614,469</b>	<b>100%</b>	<b>(124,830)</b>	
<b>Parent Company</b>	<b>15,601</b>		<b>32,446</b>		<b>(16,845)</b>	
Interdivisional and Parent Company write-offs	(13,925)		(23,710)		9,785	
<b>TREVI GROUP</b>	<b>491,315</b>		<b>623,205</b>		<b>(131,890)</b>	

The breakdown of revenue from sales and services and other revenue per geographic area is as follows:

Geographic Area	31/12/2020	%	31/12/2019	%	Change	%
Italy	48,676	10%	58,091	9%	(9,415)	-16%
Europe	115,810	24%	110,172	18%	5,638	5%
U.S.A. and Canada	109,542	22%	135,180	22%	(25,638)	-19%
Latin America	31,371	6%	34,154	5%	(2,783)	-8%
Africa	36,710	7%	43,746	7%	(7,036)	-16%
Middle East and Asia	53,816	11%	138,303	22%	(84,487)	-61%
Far East and Rest of the World	95,390	19%	103,559	17%	(8,169)	-8%
<b>Total revenue</b>	<b>491,315</b>	<b>100%</b>	<b>623,205</b>	<b>100%</b>	<b>(131,890)</b>	

## Order backlog

(in thousands of Euro)

	31/12/2020	31/12/2019	Change	% change
Order backlog	317,458	374,470	(57,012)	-15%
	<b>2020</b>	<b>2019</b>	<b>Change</b>	<b>% change</b>
Order intake	425,443	503,530	(78,087)	-16%

## Net financial position

(in thousands of Euro)

	31/12/2020	31/12/2019	Change	% change
Total net financial debt (*)	(269,447)	(735,022)	465,575	63%

(\*) see the table below on the breakdown of the Net Financial Position on page 14.

## Group's workforce

	31/12/2020	31/12/2019	Change	% change
Number of employees*	3,704	4,537	(833)	(18%)

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

In the 2020 financial year, the Trevi Group was engaged in the implementation of the capital strengthening and debt restructuring transaction approved by the Board of Directors on 17 July 2019 to be implemented as part of an agreement pursuant to Article 182-bis of the Italian Bankruptcy Law (hereinafter also referred to as the "**Restructuring Agreement**") for which approval was obtained from the Bologna Court of Appeal on 10 January 2020. Despite the spread of the Covid-19 pandemic, which significantly affected the Group's operations, during the first quarter of the year: (i) the sale of the Oil & Gas Division was completed on 31 March 2020 (see the press release issued on the same date, available on the Company's website [www.trevifin.com](http://www.trevifin.com), section "Investor Relations/Press Releases"); (ii) the capital increase was launched on the stock exchange at the end of April and completed on 29 May 2020 (see the press release issued on the same date, available on the Company's website [www.trevifin.com](http://www.trevifin.com), section "Investor Relations/Press Releases").

Today the Trevi Group, after the sale of the Oil & Gas Division, is a multinational group that has returned to focus exclusively on its core business of all-round underground engineering (special foundations, soil consolidation, reclamation of polluted sites, design and marketing of specialist technologies in the sector such as pile driving rigs, diaphragm walls and consolidation). The parent company, Trevi - Finanziaria Industriale SpA, operates through two main subsidiaries: Trevi SpA and Soilmec SpA. All the Group's activities benefit from the synergies and close technical/engineering collaboration between these two divisions, thus ensuring that the Trevi Group can act as an innovative and highly specialised operator capable of providing high value-added underground engineering products and services.

*"Despite the spread of the Covid-19 pandemic, which significantly affected the Group's operations" - states Giuseppe Caselli, CEO of the Trevi Group - "the actions we took allowed us to deal with the pandemic, to successfully complete the complex operation of recapitalisation and restructuring of the Group's financial debt, to review the Group's organisational structure in order to better position it on international markets and to reduce its operating costs. That said, we leave this annus horribilis behind us with the knowledge that the Group has demonstrated extraordinary resilience, achieving encouraging results, and with the concrete confidence, supported by the performance in the first few months of the year, that 2021 can represent, also by virtue of the positive international framework surrounding the entire construction and infrastructure sector, a year of recovery".*

## Group performance

Total revenue in the 2020 financial year amounted to approximately Euro 491.3 million, compared to Euro 623.2 million at 31 December 2019, down by approximately Euro 131.9 million (-21%). It should be noted that these figures refer exclusively to the subsoil engineering activities of the Trevi Division and the Soilmec Division, the Group's core business.

Recurring EBITDA and EBITDA at 31 December 2020 were approximately Euro 50.2 million and Euro 45.4 million, respectively. The difference between them is related to non-recurring expense, which in 2020 amounted to approximately Euro 4.8 million (Euro 17 million in 2019). This expense was mainly attributable to the fees of certain consultants who worked in various capacities with the Group for the successful completion of the recapitalisation and debt restructuring transaction concluded in the first half of 2020, and other expense of an extraordinary and/or non-recurring nature in ordinary operations.

EBIT at 31 December 2020 amounted to Euro 0.6 million, an improvement compared to the loss recorded in the previous year of Euro 36.9 million. In particular, the result for 2019 was affected by write-downs of fixed assets, inventories, and receivables, also resulting from the assessments consequent to the strategy of remaining or not in certain markets and the focus on certain countries as envisaged in the 2018-2022 business plan (the "**Original Consolidated Plan**") approved by the Company's Board of Directors on 8 May 2019 and, following certain amendments and additions, on 17 July 2019.

The overall net effects of the recapitalisation and debt restructuring transaction amounted to Euro 280.3 million in the 2020 financial year and influenced the Group's financial income and expense.

The net profit attributable to the Group at 31 December 2020 amounted to Euro 241.5 million (Euro -75.8 million at 31 December 2019).

The order backlog at 31 December 2020 amounted to Euro 317.5 million (Euro 374.5 million at 31 December 2019). The order intake in the 2020 financial year amounted to approximately Euro 425.4 million, down of approximately Euro 78 million compared to the same period last year.

As mentioned, during 2020, the Company completed the path of capital strengthening and financial debt restructuring started in 2017. At 31 December 2020, the Company's equity amounted to Euro 128.5 million (Euro -268.6 million at 31 December 2019), while the Group's equity at the end of 2020 amounted to Euro 120 million (Euro -222.2 million at 31 December 2019).

## **Operating performance for the year 2020**

### **The market context**

The 2020 financial year was heavily impacted by the spread of the Covid-19 pandemic globally from the first quarter of 2020. The global construction market, excluding China and India where the Group does not operate in the special foundations sector, was expected to grow by 2% in 2020 while due to the effects of the Coronavirus it declined by 5% (source IHS Markit - December 2019 - and Global Data - September 2020).

Covid-19 also caused negative impacts on the oil market. Especially in the first half of the year 2020, the economies of oil-producing countries were affected by the rapid decrease in both prices and demand for oil products; this phenomenon significantly reduced the spending capacity for new projects and infrastructure of both oil-producing countries and oil companies. It is estimated that investments by major companies have been reduced by 30% compared to 2019 and 28% compared to 2020 budgets (source IHS Markit and companies' budgets, restated by Boston Consulting Group-BCG).

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. In response to the economic crisis, numerous governments in the affected countries and various supranational bodies adopted extraordinary measures to support household incomes, corporate liquidity and ensure access to credit.

Despite the support measures enforced and those currently being prepared and implemented, the general trend of the Italian economy has been negative: according to estimates by the International Monetary Fund in January 2021, GDP, which in 2019 had grown by 0.3%, is expected to fall by 9.2% in 2020, while in 2021 there should be a recovery of 3.0%. It is expected that from the second half of 2021, thanks both to the vaccination plans being implemented in Italy, Europe and many countries around the world, and the plans to revive economies based mainly on public investment, the operating environment will become more favourable for the Trevi Group.

With regard to the Oil & Gas sector, 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 maneuver.

### **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 in order 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;
- the postponement in the signing of new contracts or the sale of rigs;
- new ways of organising work and new activities to counter the risk of contagion (e.g., restricted transport and accommodation, cleaning and sanitation, training, upgrading of smart-work infrastructure, purchase of new personal protective equipment, etc.).

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.

All the competent functions ensured the continuity of operations in the various countries in which the Group operates wherever possible, guaranteeing the health and safety of personnel and complying with all the requirements imposed by the various governments in the respective countries.

During 2020, the total negative impact on EBITDA was estimated at approximately Euro 24 million.

### **Order intake and order backlog**

The Trevi Group's order intake during 2020 amounted to approximately Euro 425.4 million, compared to approximately Euro 503.5 million in the same period of the previous year, of which Euro 329.7 million related to the Trevi Division (approximately Euro 301 million in the corresponding period of 2019) and Euro 102.7 million to the Soilmec Division (Euro 215.8 million in the corresponding period of 2019), gross of intra-divisional orders.

The Trevi Group's order backlog at 31 December 2020 amounted to Euro 317.5 million (Euro 374.5 million at 31 December 2019). With regard to the breakdown by Division, Euro 286.8 million related to the Trevi Division (Euro 327.7 million at 31 December 2019), while Euro 31.2 million related to the Soilmec Division (Euro 50 million at 31 December 2019).

### **Investments**

Gross investments in property, plant, and equipment by the Trevi Group in 2020 amounted to Euro 22.5 million, due to the acquisition of plant, machinery and equipment to be used mainly to support both the activities of the foundations sector and the rental activity carried out by the Soilmec division. Divestments amounted to Euro 17 million.

It is important to note that the Group also undertook a thorough review of the corporate cost structure and optimisation of business processes, in particular by launching IT projects for the preparation of consolidated financial statements and reporting on the Tagetik platform, as well as the implementation of the ERP SAP/4 Hana system, which includes the module for centralised treasury management. While the Tagetik platform and the centralised treasury module went live in 2020, the ERP SAP/4 Hana system is scheduled to go live in 2021.

### **Significant events after the reporting period**

On 31 January 2021, the Company announced to the market that, based on preliminary information available at that date in relation to the 2020 performance - also affected by the Covid-19 pandemic effects on the worldwide economy, which conditioned the business of the Group -, it was possible to foresee that, at the time of approval of the consolidated financial statements of the Trevi Group, one of the financial parameters set out in the Restructuring Agreement, namely the ratio of consolidated net debt and recurring EBITDA, would not be met. On 24 February 2021, Trevifin informed the market about the start of discussions with the Lending Banks that are parties to the Restructuring Agreement (the "**Lending Banks**") aimed at identifying the amendments to the existing agreements necessary to deal with the foreseeable failure to comply with one of the financial parameters set out in the Restructuring Agreement, at the approval of the consolidated financial statements for the year 2020. The Company also communicated that, based on the preliminary information available at that date relating to the performance for the year 2020 and further analyses then underway on the Company's outlook in the current market context, strongly affected by the spread of the Covid-19 pandemic, a general slowdown emerged in the achievement of the objectives identified in the Original Consolidated Plan, which did not seem to be entirely achievable within the timeframe taken into account. In consideration of the above, in the discussions initiated with the Lending Banks, the Company has envisaged both the granting of the usual waivers and changes to the financial parameters originally set in the Restructuring Agreement, as well as the recalculation of some maturities scheduled for the current year relating to some exposures.

On 23 April 2021, the Board of Directors approved the updated 2021-2024 business plan to take into account the slowdown recorded in the financial year ended 31 December 2020 and the outlook for the Trevi Group in the current market context, which is strongly affected by the global effects of the spread of the Covid-19 pandemic (see the press release issued on 24 April 2021 and available on the Company's website, [www.trevifin.com](http://www.trevifin.com), in the "Investor Relations/Press Releases" section). The business plan was updated both in terms of its quantitative objectives and its time frame, which was extended to 2024, in accordance with the original strategic guidelines and confirming the achievement of the recovery goals, albeit over a longer period than initially forecast.

The Trevi Group's performance in the first few months of the year in terms of order intake, revenue and backlog, was in line with the forecasts for the first year of the updated consolidated plan.

### **Outlook**

In 2021, Trevi Group revenue is expected to increase by between 7% and 8% compared to 2020. The first six months of the year will still be affected by the prolonged effects of the Covid-19 pandemic, while the second half of the year is expected to be more robust, on the assumption that the spread of the pandemic will gradually reduce its impact thanks to vaccination campaigns and that there will be no new outbreak in the coming months.

The intake of new orders in 2021 is expected to be higher than in the 2020 financial year.

Discussions will continue with the Lending Banks that are parties to the Restructuring Agreement in order to reach a standstill agreement aimed at regulating the current phase and ensuring the ongoing concern, in the interests of all the parties involved and, in general, of the stakeholders of the Trevi Group, pending the banks' investigation and decision-making processes and until an agreement amending the Restructuring Agreement is signed. As stated above, this amending agreement - which is expected to be signed by the end of 2021 - will be aimed at incorporating the requests made by the Company regarding waivers on the financial parameters at 31 December 2021, the resetting of the financial covenants for the period 2021-2024 in line with the updated 2021-2024 business plan and the postponement of certain payment deadlines scheduled for 2021.

### **Call of the Ordinary Shareholders' Meeting**

The Board of Directors has resolved to convene the Ordinary Shareholders' Meeting at the registered office in Via Larga 201, Cesena (FC) for the day 31 May 2021 at 11:00 a.m., on first call and, if necessary, on 1 June 2021, same place and time, on second call, to discuss and resolve on the following agenda:

1. Financial statements at 31 December 2020, accompanied by the Board of Directors' Report on Operations, the Report of the Board of Statutory Auditors and the Report of the Independent Auditors. Presentation of the consolidated financial statements at 31 December 2020 and of the consolidated non-financial statement prepared pursuant to Italian Legislative Decree 254/2016. Resolutions thereon.
2. Report on the remuneration policy and the remuneration paid:
  - 2.1 Resolution regarding the Company's remuneration policy according to the first section of the report pursuant to Art. 123-ter, paragraphs 3-bis and 3-ter of the Italian Legislative Decree No. 58 of 24 February 1998;
  - 2.2 Resolutions relating to the second section of the report pursuant to Art. 123-ter, paragraph 6 of Italian Legislative Decree No. 58 of 24 February 1998;
3. Appointment of a Director to supplement the Board of Directors. Resolutions thereon.
4. Resolutions regarding the remuneration paid to the Independent Auditors.

The documentation relating to the items on the agenda of the Shareholders' Meeting, as envisaged by the relevant legislation, is made available to the public within the terms of the law and on the Company's website [www.trevifin.com](http://www.trevifin.com).

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The Board of Directors also resolved to propose to the Shareholders' Meeting the following allocation of the profit resulting from the separate financial statements for the year 2020 of Trevi - Finanziaria Industriale S.p.A., which amounts to Euro 246,035,967 as follows:

- Euro 11,121,672 to the Legal Reserve, to reach one-fifth of the share capital;
- the remaining part, amounting to Euro 234,914,295, to cover accumulated losses carried forward of



Euro 486,954,763.

It is also proposed that the Extraordinary Reserve, amounting to Euro 12,858,031, and part of the Share Premium Reserve, amounting to Euro 250,235,589, be fully used to cover the remaining accumulated losses of Euro 250,040,068; after this use, the Share Premium Reserve will amount to Euro 13,053,151.

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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, hereby declares that the accounting information contained in this press release corresponds to the documentary results, books and accounting records.

**DISCLAIMER:**

This press release contains forward-looking statements. These statements are based on the current estimates and projections of the Group, relating to future events and, by their nature, are subject to an intrinsic component of risk and uncertainty. Actual results may differ materially from those contained in such statements due to a variety of factors, including continued volatility and further deterioration of capital and financial markets, changes in macroeconomic conditions and economic growth and other changes in business conditions, in addition to other factors, the majority of which is beyond the control of the Group.

The Trevi Group uses some **alternative performance indicators**, in order to allow a better assessment of the performance of the economic management and of the equity and financial situation. In accordance with the provisions of the ESMA/2015/1415 guidelines, the meaning and content of the indicators used in this release are reported below.

- EBITDA: is an indicator of operating performance calculated by adding the "Amortisation, depreciation, impairment losses and allowances" to the "Operating profit/(loss)";

Net Financial Position: is an indicator of the financial structure whose breakdown is shown on page 14.

**About Trevi Group:**

*The Trevi Group is a world leader in all-round subsoil engineering (special foundations, soil consolidation, recovery of polluted sites), in the design and marketing of specialized technologies in the sector and in the construction of automated underground multi-storey car parks. Born in Cesena in 1957, the Group has about 70 companies and, with dealers and distributors, is present in 90 countries. Among the reasons for the success of the Trevi Group are the internationalization, integration and continuous interchange between the two divisions: Trevi, which carries out special foundations and land consolidation works for large infrastructural interventions (subways, dams, ports and docks, bridges, railway and motorway lines, industrial and civil buildings) and Soilmec, which designs, manufactures and markets machinery, systems and services for subsoil engineering.*

*The parent company (Trevi - Finanziaria Industriale Spa) has been listed on the Milan stock exchange since July 1999.*

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The accounting statements of the consolidated and annual financial statements are hereby attached; their examination will show further elements of assessment of financial position and financial performance of the Company and the entire Group. The draft of the financial statements is being examined, to the extent of their competence, by the Board of Statutory Auditors and the Independent Auditors.

## TREVI GROUP CONSOLIDATED FINANCIAL STATEMENTS

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(In thousands of Euro)

ASSETS	31/12/2020	31/12/2019
<b>Non-current assets</b>		
Tangible assets		
Land and buildings	52,254	52,227
Plant and machinery	102,202	128,731
Industrial and commercial equipment	24,401	30,560
Other assets	10,329	16,809
Assets under construction and payments on account	1,894	3,219
<b>Total tangible assets</b>	<b>191,080</b>	<b>231,546</b>
<b>Intangible assets</b>		
Development costs	6,646	5,260
Industrial patents and intellectual property rights	182	290
Concessions, licences and trademarks	177	142
Assets under development and payments on account	3,392	218
Other intangible assets	450	884
<b>Total Intangible Assets</b>	<b>10,847</b>	<b>6,794</b>
Investment property	0	(0)
Equity investments	3,628	4,000
- equity-accounted investments in associates and joint ventures	2,995	3,403
- other equity investments	633	597
Deferred tax assets	29,465	44,163
Other long-term financial receivables	11,052	3,283
- of which from related parties	0	1,353
Trade receivables and other long-term assets	1,010	2,946
<b>Total non-current assets</b>	<b>247,082</b>	<b>292,732</b>
<b>Assets held for sale</b>	<b>0</b>	<b>250,420</b>
<b>Current assets</b>		
Inventories	122,711	118,897
Trade receivables and other short-term assets	240,695	289,331
- of which from related parties	10,888	14,711
Current tax assets	6,700	12,086
Current financial assets	3,675	10,977
- of which from related parties	1,297	
Cash and cash equivalents	69,810	77,709
<b>Total current assets</b>	<b>443,591</b>	<b>509,145</b>
<b>TOTAL ASSETS</b>	<b>690,673</b>	<b>1,052,299</b>

**TREVI GROUP CONSOLIDATED FINANCIAL STATEMENTS**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

(In thousands of Euro)

<b>NET EQUITY</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
<b>Share capital and reserves</b>		
Share capital	97,374	82,290
Other reserves	247,974	157,181
Losses carried forward	(463,457)	(382,760)
Profit/(Loss) for the year	241,468	(75,802)
<b>Group Equity/(Deficit)</b>	<b>123,359</b>	<b>(219,091)</b>
Capital and reserves of non-controlling interests	1,415	(914)
Loss attributable to non-controlling interest	(4,733)	(2,162)
<b>Deficit attributable to non-controlling interest</b>	<b>(3,318)</b>	<b>(3,076)</b>
<b>Total Equity/(Deficit)</b>	<b>120,041</b>	<b>(222,167)</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Long-term loans	8,234	7,656
Long-term loans and borrowings from other financial backers	79,237	25,764
Non-current derivative financial instruments	(0)	(0)
Deferred tax liabilities	20,748	31,729
Post-employment benefits	11,508	13,682
Long-term provisions	15,632	7,235
Other long-term liabilities	4,913	41
<b>Total non-current liabilities</b>	<b>140,272</b>	<b>86,107</b>
<b>Liabilities associated with assets held for sale</b>	<b>0</b>	<b>150,455</b>
<b>Current liabilities</b>		
Trade payables and other short-term liabilities	148,506	224,280
- of which to related parties	878	2,363
Current tax liabilities	11,677	12,631
Short-term loans	194,176	553,193
Short-term loans and borrowings from other financial backers	71,483	238,316
Current derivative financial instruments	0	132
Short-term provisions	4,518	9,350
<b>Total current liabilities</b>	<b>430,360</b>	<b>1,037,902</b>
<b>TOTAL LIABILITIES</b>	<b>570,632</b>	<b>1,274,462</b>
<b>TOTAL NET EQUITY/(DEFICIT) AND LIABILITIES</b>	<b>690,673</b>	<b>1,052,299</b>

*It should be noted that following the failure to meet the financial parameters at 31 December 2020 relating to the bank loans and borrowings under the Restructuring Agreement, in accordance with IFRS 9, these have been presented in the financial statements with a short-term maturity, although the original maturity date of 2024 remains unchanged.*

**TREVI GROUP CONSOLIDATED FINANCIAL STATEMENTS**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

*(In thousands of Euro)*

	<b>31/12/2020</b>	<b>31/12/2019</b>	<b>Changes</b>
<b>TOTAL REVENUE</b>	<b>491,315</b>	<b>623,204</b>	<b>(131,889)</b>
Change in inventories of finished goods and work in progress	5,901	(11,646)	17,547
Internal work capitalised	13,478	12,241	1,237
<b>PRODUCTION REVENUE <sup>1</sup></b>	<b>510,694</b>	<b>623,799</b>	<b>(113,105)</b>
Consumption of raw materials and external services <sup>2</sup>	(324,644)	(398,030)	73,386
<b>VALUE ADDED <sup>3</sup></b>	<b>186,050</b>	<b>225,769</b>	<b>(39,719)</b>
Personnel expense	(135,876)	(166,333)	30,457
<b>RECURRING EBITDA <sup>4</sup></b>	<b>50,174</b>	<b>59,436</b>	<b>(9,262)</b>
Extraordinary restructuring expense	(4,787)	(16,982)	12,195
<b>EBITDA <sup>5</sup></b>	<b>45,387</b>	<b>42,454</b>	<b>2,933</b>
Depreciation and amortisation	(41,220)	(47,014)	5,794
Provisions and impairment losses	(3,614)	(32,336)	28,722
<b>OPERATING PROFIT/(LOSS) (EBIT) <sup>6</sup></b>	<b>553</b>	<b>(36,896)</b>	<b>37,449</b>
Financial income/(expense) <sup>7</sup>	259,341	(16,447)	275,788
Gains/(losses) on exchange rates	2,840	(5,100)	7,940
Adjustments to financial assets	(693)	(1,608)	915
<b>PROFIT/(LOSS) BEFORE TAXES</b>	<b>262,041</b>	<b>(60,051)</b>	<b>322,092</b>
Net loss from assets held for sale	(12,840)	(11,440)	(1,400)
Income taxes	(12,465)	(6,472)	(5,993)
<b>NET PROFIT/(LOSS)</b>	<b>236,736</b>	<b>(77,963)</b>	<b>314,699</b>
<b>Attributable to:</b>			
Shareholders of the Parent Company	241,468	(75,802)	317,270
Non-controlling interests	(4,733)	(2,162)	2,571
<b>NET PROFIT/(LOSS)</b>	<b>236,735</b>	<b>(77,964)</b>	<b>314,699</b>

<sup>1</sup> "Production revenue" includes the following Statement of Profit or Loss items: revenue from sales and services, internal work capitalised, other operating revenue and change in inventories of finished and semi-finished products.

<sup>2</sup> "Consumption of raw materials and external services" includes the following Statement of Profit or Loss items: raw materials and consumables, change in inventories of raw materials, consumables, supplies and goods, and other operating expense not including other operating costs. This item is shown net of non-recurring expense.

<sup>3</sup> The "value added" is the sum of production revenue, consumption of raw materials and external services and other operating costs.

<sup>4</sup> "Recurring EBITDA" represents the normalised EBITDA by eliminating extraordinary and/or non-recurring operating income and expense from the EBITDA calculation.

<sup>5</sup> "EBITDA" (Gross Operating Profit) is a financial indicator not defined in the IFRS, adopted by the Trevi Group starting from the consolidated Financial Statements at 31 December 2005. EBITDA is a measure used by Trevi's Management to monitor and evaluate the operating performance of the Group. Management believes that EBITDA is an important measurement of the Group performance insofar as it is not affected by the various factors used in determining taxable income, by the amount and nature of capital employed and by amortisation and depreciation policies. To date (subject to a subsequent in-depth analysis connected with the development of alternative corporate performance measurement criteria), EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization)

is defined by Trevi as Profit/Loss for the year, gross of depreciation and amortisation of tangible and intangible assets, allowances, impairment losses, financial income and expense and income taxes.

<sup>6</sup> “EBIT” (Operating Profit/(Loss) is a financial indicator not defined in the IFRS, adopted by the Trevi Group starting from the consolidated Financial Statements at 31 December 2005. EBIT is a measure used by TREVI's Management to monitor and evaluate the operating performance of the Group. Management believes that EBIT is an important measurement of the Group performance insofar as it is not affected by the various factors used in determining taxable income, by the amount and nature of capital employed and by amortisation and depreciation policies. EBIT (Earnings Before Interest and Taxes) is defined by the Trevi Group as Profit/Loss for the year, gross of financial income and expense and income taxes.

<sup>7</sup>“Financial income/(expense)” is the sum of the following Statement of Profit or Loss items: financial income and (financial expense).

## Consolidated Net Financial Position

(in thousands of Euro)

	31/12/2020	31/12/2019	Changes
Short-term bank loans and borrowings	(194,176)	(553,193)	359,017
Short-term loans and borrowings from other financial backers	(71,483)	(238,316)	166,833
Current derivative financial instruments	0	(132)	132
Current financial assets	3,675	10,977	(7,302)
Short-term cash and cash equivalents	69,810	77,709	(7,899)
<b>Total short-term</b>	<b>(192,174)</b>	<b>(702,955)</b>	<b>510,781</b>
Medium/Long-term bank loans and borrowings	(8,234)	(7,656)	(578)
Medium/Long-term loans and borrowings from financial backers	(79,237)	(25,764)	(53,473)
Securities at nominal value		0	0
Non-current financial derivatives	0	0	0
<b>Total medium/long term</b>	<b>(87,471)</b>	<b>(33,420)</b>	<b>(54,051)</b>
<b>Net financial debt (Consob DEM/6064293 of 28/07/2006)</b>	<b>(279,645)</b>	<b>(736,375)</b>	<b>456,730</b>
Non-current financial assets	10,198	1,353	8,845
<b>Total net financial debt</b>	<b>(269,447)</b>	<b>(735,022)</b>	<b>465,575</b>

It should be noted that following the failure to meet the financial parameters at 31 December 2020 relating to the bank loans and borrowings under the Restructuring Agreement, in accordance with IFRS 9, these have been presented in the financial statements with a short-term maturity, although the original maturity date of 2024 remains unchanged.

**TREVI – FINANZIARIA INDUSTRIALE S.P.A.**

**STATEMENT OF FINANCIAL POSITION**

(Amounts in Euro)

<b>ASSETS</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
<b>Non-current assets</b>		
<b>Tangible assets</b>		
Land and buildings	6,496,405	6,281,314
Plant, machinery and industrial and commercial equipment	15,540,247	19,061,611
Other assets	62,527	128,617
<b>Total tangible assets</b>	<b>22,099,179</b>	<b>25,471,542</b>
<b>Intangible assets</b>		
Concessions, licences and trademarks	72,400	100,856
Assets under development and payments on account	3,391,625	217,500
<b>Total intangible assets</b>	<b>3,464,025</b>	<b>318,356</b>
Equity investments in other companies	175,594	151,205
Equity investments in subsidiaries	193,588,542	128,266,670
Deferred tax assets	-	1,416,754
Other medium/long-term financial receivables	21,959	35,996
Other medium/long-term financial receivables from subsidiaries and other companies	10,000,000	82,489,602
- of which from related parties	-	82,489,602
Trade receivables and other medium/long-term receivables		-
<b>Total financial assets</b>	<b>203,786,095</b>	<b>212,360,227</b>
<b>Total non-current assets</b>	<b>229,349,299</b>	<b>238,150,125</b>
<b>Assets held for sale</b>	<b>-</b>	<b>3,395,219</b>
<b>Current assets</b>		
Trade receivables and other short-term receivables	7,325,211	8,969,839
- of which from related parties	39,555	10,037
Trade receivables and other short-term receivables from subsidiaries	54,145,863	42,472,247
- of which from related parties	54,145,863	42,472,247
Current tax assets	1,498,779	1,712,665
Current financial assets	57,620,969	10,977,362
Cash and cash equivalents	2,813,477	146,231
<b>Total current assets</b>	<b>123,404,299</b>	<b>64,278,344</b>
<b>TOTAL ASSETS</b>	<b>352,753,599</b>	<b>305,823,688</b>

**TREVI – FINANZIARIA INDUSTRIALE S.P.A.**

**STATEMENT OF FINANCIAL POSITION**

(Amounts in Euro)

<b>NET EQUITY</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
<b>Share capital and reserves</b>		
Share capital	97,373,554	82,289,633
Other reserves	270,076,969	134,032,585
Losses carried forward including net profit/(loss) for the year	(238,918,800)	(484,954,764)
<b>Total Net Equity/(Deficit)</b>	<b>128,531,723</b>	<b>(268,632,546)</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Long-term loans	4,660,235	-
Long-term loans and borrowings from other financial backers	63,717,581	401,443
Non-current derivative financial instruments	-	-
Deferred tax liabilities	980,710	814,505
Post-employment benefits	695,344	838,048
Provisions for risks and charges	10,963,781	18,049,214
Other long-term liabilities	5,229,370	
<b>Total non-current liabilities</b>	<b>86,247,021</b>	<b>20,103,210</b>
<b>Current liabilities</b>		
Trade payables and other short-term liabilities	7,860,993	23,260,577
Trade payables and other short-term liabilities to subsidiaries	19,083,957	20,064,253
- of which to related parties	19,083,957	20,064,253
Current tax liabilities	1,533,664	
Short-term loans	64,513,548	319,663,188
Short-term loans and borrowings from other financial backers	44,982,693	189,931,854
- of which from related parties	3,911,662	966,994
Current derivative financial instruments	-	129,047
<b>Total current liabilities</b>	<b>137,974,855</b>	<b>553,048,919</b>
<b>TOTAL LIABILITIES</b>	<b>224,221,876</b>	<b>573,152,129</b>
<b>Liabilities associated with assets held for sale</b>	<b>-</b>	<b>1,304,105</b>
<b>TOTAL NET EQUITY AND LIABILITIES</b>	<b>352,753,599</b>	<b>305,823,688</b>

*It should be noted that following the failure to meet the financial parameters at 31 December 2020 relating to the bank loans and borrowings under the Restructuring Agreement, in accordance with IFRS 9, they have been presented in the financial statements with a short-term maturity, although the original maturity date of 2024 remains unchanged.*



**TREVI – FINANZIARIA INDUSTRIALE S.P.A.****STATEMENT OF PROFIT OR LOSS***(Amounts in Euro)*

	<b>31/12/2020</b>	<b>31/12/2019</b>
Revenue from sales and services	13,906,209	27,177,528
- of which from related parties	13,256,967	27,177,457
Other operating revenue	1,694,623	5,268,732
- of which from related parties	819,635	3,119,976
Raw materials and consumables	(73,838)	(32,040)
- of which with related parties		-
Personnel expense	(5,578,978)	(7,729,286)
Other operating expense	(11,140,205)	(19,110,173)
- of which to related parties	(673,868)	(658,642)
Depreciation and amortisation	(2,735,164)	(2,959,330)
Provisions and impairment losses	1,793,626	(2,747,022)
Internal work capitalised	1,490,971	
<b>Operating loss</b>	<b>(642,756)</b>	<b>(131,591)</b>
Financial income	281,994,460	10,148,331
- of which from related parties	2,439,154	10,148,331
Financial expense	(25,979,932)	(17,975,345)
Gains/(losses) on exchange rates	735,451	(56,315)
<b>Sub-total for financial income/(expense) and gains/(losses) on exchange rates</b>	<b>256,749,979</b>	<b>(7,883,329)</b>
<b>Adjustments to financial assets</b>	<b>(2,538,133)</b>	<b>(11,724,934)</b>
- of which with related parties		-
<b>Profit/(loss) before taxes</b>	<b>253,569,091</b>	<b>(19,739,855)</b>
Income taxes	(4,311,307)	1,137,828
<b>Net profit/(loss) from operating activities</b>	<b>249,257,784</b>	<b>(18,602,027)</b>
<b>Net profit/(loss) from assets held for sale</b>	<b>(3,221,817)</b>	<b>(29,229,442)</b>
<b>Net profit/(loss)</b>	<b>246,035,967</b>	<b>(47,831,469)</b>