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Diffusione presunta

Oggetto : Tesmec S.p.A.-Approval of the Final Terms
and Conditions of the Share Capital
Increase and Timetable for the Offer

Testo del comunicato

Vedi allegato.



TESMEC S.P.A.: THE BOARD OF DIRECTORS APPROVED THE FINAL TERMS AND CONDITIONS OF THE SHARE CAPITAL INCREASE WITH RIGHTS ISSUE OF A MAX TOTAL AMOUNT OF EURO 35 MILLION

- **Rights issue exercisable for the subscription of the shares from 23 November 2020 to 10 December 2020;**
- **The issue price incorporates a discount of around 21.7% on TERP**
- **Commitment of the majority shareholder to subscribe a max total value of around Euro 22 million, confirming the confidence in the Group's growth prospects over the period of the Business Plan and full support also in the current phase of worsening of the COVID-19 pandemic**

Grassobbio (Bergamo - Italy), 16 November 2020 – Following what was communicated on 3 September 2020, it is announced that today, the Board of Directors of Tesmec S.p.A. ("**Tesmec**" or the "**Company**"), at the head of a group leader in the market of technologies for infrastructures (overhead, underground and railway networks) related to the transport of energy, data and materials (oil and derivatives, gas and water), and of technologies in surface mining, set the final conditions of the share capital increase in partial exercise of the proxy pursuant to art. 2443 of the Italian Civil Code given by the Shareholders' Meeting of 21 May 2020 (the "**Capital Increase**"), as well as the timetable for the right issue offer of the new shares (the "**Rights Issue Offer**"). The launch of the Right Issue Offer is subject to the release of the Consob's authorization to publish the Registration Document, the Securities Note and the Summary Note (jointly, the "**Prospectus**").

In execution of the Capital Increase, a maximum of no. 499,376,200 new Tesmec ordinary shares (the "**Shares**"), with no par value, having the same characteristics as the Tesmec ordinary shares already in circulation and with regular dividend entitlement will be issued. The Shares will be offered with right issue to the entitled shareholders of the Company in the ratio of no. 200 Shares every n. 41 Tesmec ordinary shares already held, at the subscription price of Euro 0.07 for each Share, of which Euro 0.01 to be allocated to the share capital and Euro 0.06 to be allocated to share premium.

The value of the Right Issue Offer will therefore be equal to a maximum of Euro 34,956,334.

The issue price of the Shares takes into account also the economic and financial situation and prospects of the Issuer, the market conditions at the time of setting terms and conditions of the Capital Increase, the stock exchange prices, as well as the market practice for similar transactions.

The issue price of the Shares was set by applying, according to the same practices, a discount with respect to the theoretical ex-rights market price (TERP) of the Shares. In details, the issue price incorporates a discount of around 21.7%, calculated in accordance with the current methods on the reference price registered by Borsa Italiana S.p.A. on 16 November 2020, equal to Euro 0.184.

With regards to the timetable of the Offer, subject to the required authorizations to publish the Prospectus being granted by Consob, it is envisaged that:

- the rights issue for the subscription of the Shares (the "Right Issue") may be exercised, under penalty of forfeiture, from 23 November 2020 to 10 December 2020 (inclusive), and
- the rights issue may be traded on the Mercato Telematico Azionario, organized and managed by Borsa Italiana S.p.A. ("**MTA**"), from 23 November 2020 to 4 December 2020 (inclusive).

The start of the Rights Issue Offer is subject to the approval by Consob of the Prospectus relating to the Rights Issue Offer and the admission to trading of the Shares on the MTA. The Prospectus will be available at the registered office of Tesmec, in Milano Piazza S. Ambrogio n. 16, and at the operative office in Grassobbio (BG), Via Zanica n. 17/O, as well as on the Company's website (www.tesmec.com).

The Rights Issue not exercised by the end of the offer period will be offered on the MTA, pursuant to Article 2441, paragraph 3, of the Italian Civil Code. The starting date and the conclusion date of the offering period on the MTA will be communicated to the public through specific notice.

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The Shares will, when issued, be fully paid and will rank *pari passu* in all respects with the existing Tesmec ordinary shares. As fully fungible with existing ordinary shares of the Company, the Shares are expected to be listed on the MTA effective as of the date of issuance.

It is recalled that the majority shareholder TTC, confirming its confidence in the Group's growth prospects over the period of the Business Plan and full support also in the current phase, has taken, for itself and for the subsidiaries FI.IND. S.p.A., RX S.r.l. and MTS - Officine Meccaniche di Precisione S.p.A. ("**MTS**"), the formal and irrevocable commitment, not guaranteed, to participate in the Capital Increase for a total amount of Euro 21,865,664, of which: (i) Euro 16,865,664 relating to the exercise of the Rights issue due respectively to TTC and to the companies controlled by it; and (ii) Euro 5,000,000 relating to the subscription of not exercised Tesmec shares as a result of the Rights Issue Offer and any offer on the stock exchange. With reference to Euro 16,865,664 referred to in the previous (i), it is recalled that Euro 9.4 million will be settled by compensation through the use of the payment in the future capital increase account deriving from the conversion of the credit of MTS, of the same amount, relating to the payment of the consideration for the acquisition of 100% of the share capital of 4 Service Srl by Tesmec from MTS. If the Capital Increase was subscribed only by the shareholder TTC, the residual free float will be less than 20% and therefore it won't be suitable to keep the Issuer in the STAR Segment of the MTA. Then there is a risk that Tesmec shares may have a lower degree of liquidity and that the Company may no longer be required to comply with the high transparency and corporate governance requirements that are mandatory only for companies listed on the STAR Segment of the MTA and may decide, at its discretion, not to comply with them voluntarily.

On the date on which the Issuer's Board of Directors resolved to partially exercise the proxy pursuant to Article 2443 of the Civil Code (22 September 2020), the proceeds from the Capital Increase were aimed at strengthening the financial structure and seizing the additional growth opportunities that the market presents in the reference segments of the Group (the "**Additional Investments**"). Starting from October 2020, the pandemic has worsened. Although the Issuer considers the 2020-2023 Business Plan valid also following this event and the additional restrictive measures, on 10 November 2020 the Issuer's Board of Directors resolved that the proceeds of the Capital Increase will be used for the repayment of debts in case of the absence of the assumptions of the Business Plan (for example in the event as at 31 December 2020 of breach of financial covenants relating to some outstanding financial loans for an amount equal to Euro 14.4 million and failure to issue the waivers by the lenders institutions) resulting in financial imbalances such as an excess of cash out compared to cash in or a lack of temporal consistency of these flows. Therefore, in the event of non-compliance with the aforementioned covenants as of 31 December 2020 and if the bank system does not issue the related waivers, the proceeds cash equivalent of the Capital Increase (Euro 24.3 million) would be used (i) to full advance repayment of the aforementioned debts (€ 14.4 million), and (ii) if there were no further financial imbalances to be faced with the proceeds of the Capital Increase, therefore in a completely residual way, to finance the Additional Investments. For more information on the use of the proceeds of the Capital Increase, please refer to the Prospectus which will be published before the start of the Rights Issue Offer.

For more information, please refer to the Board of Directors' illustrative report of 30 April 2020, prepared pursuant to article 2443 of the civil code, of article 125-ter of Legislative Decree February 24, 1998 n. 58 and article 72 of Consob regulation no. 11971/1999, available on the Company's website at the following link <http://investor.tesmec.com/en/Governance/ShareholdersMeetings>

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where such an offer or solicitation would require the approval of local authorities or otherwise be unlawful (the “**Other Countries**”).

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This publication constitutes neither an offer to sell nor a solicitation to buy or subscribe for securities. This communication has been prepared on the basis that any offer of securities in any Member State of the European Economic Area (“**EEA**”) which has implemented the Prospectus Regulation (each, a “**Relevant Member State**”), will be made on the basis of a prospectus approved by the competent authority and published in accordance with the Prospectus Regulation (the “**Permitted Public Offer**”) and/or pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of securities. Any public offering will be conducted in Italy pursuant to a prospectus, duly authorized by Consob in accordance with applicable regulations.

Accordingly, any person making or intending to make any offer of securities in a Relevant Member State other than the Permitted Public Offer, may only do so in circumstances in which no obligation arises for the Company to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer.

The expression “Prospectus Regulation” means Regulation (EU) 2017/1129 (this Regulation and amendments together with any delegated act and implementing measures). This document is not a prospectus for the purposes of the Prospectus Regulation. A prospectus prepared pursuant to the Prospectus Regulation will be published in the future. Investors should not subscribe for any securities referred to in this document except on the basis of the information contained in any prospectus.

Information to Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“**MiFID II**”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the transferable pre-emptive subscription rights (the “**Rights**”) and the new ordinary shares (the “**Shares**”) have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “**Target Market Assessment**”). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the Rights and/or the Shares may decline and investors could lose all or part of their investment; the Rights and the Shares offer no guaranteed income and no capital protection; and an investment in the Rights and/or the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the offer.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Rights and/or the Shares.

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Each distributor is responsible for undertaking its own target market assessment in respect of the Rights and/or the Shares and determining appropriate distribution channels.

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This press release is also available on www.tesmec.com in the "Investors" section:

<http://investor.tesmec.com/it/CapitalIncrease>

Tesmec Group

Tesmec Group is active in the design, production and marketing of systems and integrated solutions for the construction, maintenance and diagnostics of infrastructures (overhead, underground and railway networks) for the transport of energy, data and materials (oil and derivatives, gas and water), as well as technologies for quarries and surface mining. The Group operates in the following sectors: - **Energy**. Tesmec Group designs, manufactures and markets machines and integrated systems for the construction and maintenance of overhead and underground power lines, fibre optic networks (Stringing segment), as well as advanced equipment and systems for the automation,

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efficiency, management and monitoring of high, medium and low voltage electrical networks and substations (Energy Automation Segment); - **Trencher.** Tesmec Group carries out the design, production, sale and rental of trencher machines functional to four types of activities (excavation and mines, excavations for the installation of pipelines, for the construction of telecommunication and optical fibre infrastructures, excavations for the construction of underground power networks), as well as the provision of specialized excavation services. The trencher machines are rented by the Group both with the operator (hot rental or wet rental) and without the operator (cold rental or dry rental); - **Railway.** The Group designs, manufactures and markets machines and integrated systems for the installation and maintenance of the railway catenary, devices for the diagnostics of the railway catenary and track, as well as customized machines for special operations on the line.

Born in Italy in 1951 and led by the Chairman and CEO Ambrogio Caccia Dominioni, the Group counts on more than 900 employees and has its production sites in Grassobbio (Bergamo), Endine Gaiano (Bergamo), Sirone (Lecco) and Monopoli (Bari) in Italy, Alvarado (Texas) in the USA and Durtal in France. It relies on three research and development units in Fidenza (Parma), Padua and Patrica (Frosinone). Listed on the STAR segment of the MTA Market of the Italian Stock Exchange, the Group boasts a global commercial presence through foreign subsidiaries and sales offices in the USA, in South Africa, West Africa, Australia, New Zealand, Russia, Qatar and China.

In its development strategy, the Group intends to consolidate its position as a solution provider in the three abovementioned business areas, by exploiting the trends of energy transition, digitalization and sustainability.

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