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# FTE Networks Announces Completion of Debt Restructuring

NEW YORK, July 12, 2019 (GLOBE NEWSWIRE) -- FTE Networks, Inc. (NYSE American: FTNW) ("FTE" or the "Company"), announced that it has completed its previously announced debt restructuring. The terms and conditions of the debt restructuring are described more fully in a Current Report on Form 8-K which the Company filed with the Securities and Exchange Commission on July 8, 2019.

In connection with, or as a result of, the debt restructuring, the Company achieved the following objectives:

- **Reconstituted Board.** The Company's Board of Directors has been reconstituted to include five new Independent members who have significant public company experience and strong business backgrounds and who will also help with industry contacts, client relationships and business development.
- **Restructured Debt.** The debt restructuring extended the debt maturities of substantially all of the Company's outstanding indebtedness, which gives the Company additional time to put a long-term debt strategy in place and has reduced the Company's cost of capital by reducing interest rates and on-going fees to lenders.
- **Change of Company Senior Management.** In connection with the recent change of management of the Company, Fred Sacramone, the President of Benchmark Builders Inc., the Company's principal operating subsidiary, and one of the principal stockholders of Benchmark Builders prior to the sale of Benchmark Builders to the Company in 2017, was appointed the President and Chief Executive Officer of the Company, and now has effective day-to-day management control of the Company in addition to the effective day-to-day management control of Benchmark Builders.
- **Change of Stockholder Voting Control.** Through the issuance of a new class of Series H Preferred Stock that has perpetual voting rights equivalent to 51% of the total votes that may be cast by all outstanding shares of capital stock of the Company, Mr. Sacramone and Brian McMahon, the other principal stockholder of Benchmark Builders prior to the 2017 sale of that company to the Company, have been granted effective voting control of the Company's capital stock and the ability to elect the members of the Company's Board of Directors, subject to certain contractual rights of the Company's lenders.
- **Return of Capital Stock.** While additional shares of common stock were issued to the lenders under the Company's principal credit facility in connection with the debt restructuring, the Company was successful in its efforts to seek the return to the treasury of the Company of a significant number of shares of the Company's capital stock issued to prior management in 2018. The Company intends to continue its efforts to seek the return of additional shares in the future.

"We are very pleased with the completion of the Company's debt restructuring, which required months of hard work and extensive negotiations. We believe the culmination of this

process is a strong first step towards improving the Company's overall financial stability and operating effectiveness," said Fred Sacramone, FTE's President and Interim CEO. "We would like to thank our lenders for working with us to find a solution that benefits all parties, as well as the Company's shareholders, and to thank our customers for their continued support throughout this process. We look forward to refocusing the Company's efforts to servicing our customers and providing value to our shareholders," Sacramone concluded.

### **About FTE Networks, Inc.**

FTE Networks, Inc. ("FTNW") is a full-service provider of construction management and general contracting services to the interior construction market through its Benchmark Builders subsidiary. Benchmark provides innovative solutions to the construction process and strives to achieve high-quality and timely delivery of projects for its clients. FTE's Crosslayer and Juscom divisions provide technology solutions for smart building platforms, edge computing and network infrastructure solutions for residential and commercial properties.

### **Forward-Looking Statements**

This release may contain "forward-looking statements" within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Generally, forward-looking statements can be identified by the use of forward-looking terminology such as "believe," "will," "intends," "expects," and may include statements regarding matters that involve known or unknown risks, uncertainties and other factors that may cause our results, levels of activity, performance or achievements to differ materially from results expressed or implied by this release. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations, and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and market trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. These risk factors and others are included from time to time in documents we file with the Securities and Exchange Commission, including but not limited to, our Form 10-K's, Form 10-Q's and Form 8-K's. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Accordingly, you should not place undue reliance on these forward-looking statements. Any forward-looking statement made by us in this release is based only on information currently available to us and speaks only as of the date on which it is made. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise.

### **For more information, please contact:**

#### **Corporate Contact:**

#### **FTE Networks, Inc.**

237 W. 35<sup>th</sup> Street, Suite 601

New York, NY 10001

(877) 850-4308

[ir@fthenet.com](mailto:ir@fthenet.com)

NYSE American: FTNW



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