



Goldoni S.p.A.

Restructuring Agreement Proposal - Executive Summary

February 22th 2021

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Agenda

➤ Company Overview

➤ CP Plan Update

➤ Proposal to Creditors

➤ Expected Timing

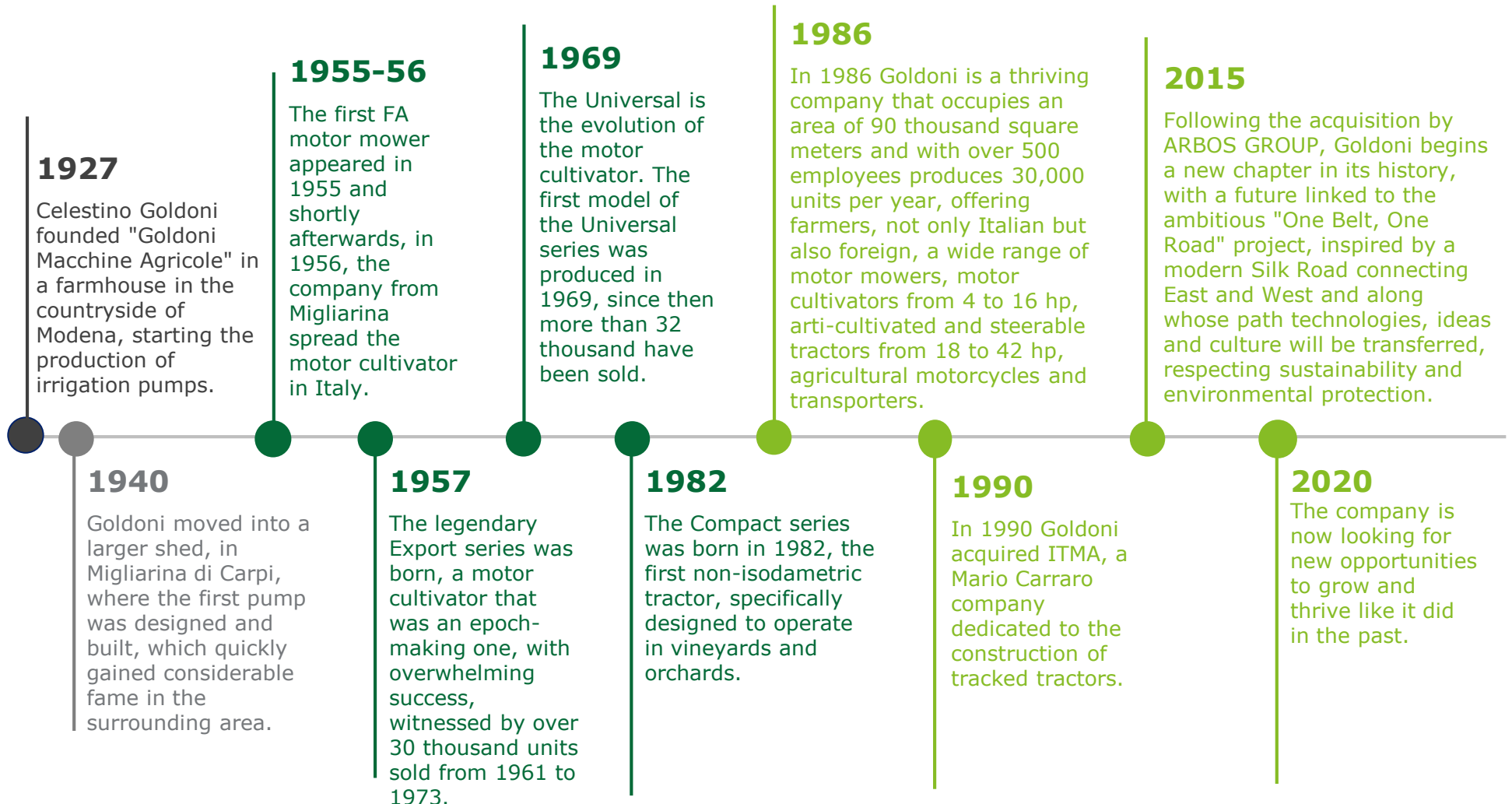


Company Overview

Company overview

Group History

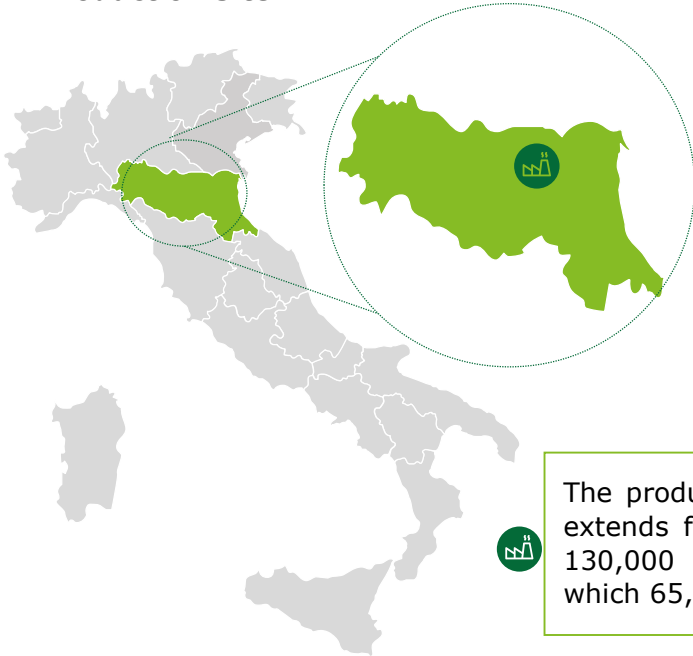
Goldoni represents a historic brand, with over 90 years of history of excellence in Made in Italy production. Goldoni's history has made it an international landmark in the field of tractors manufacturing.



Company overview

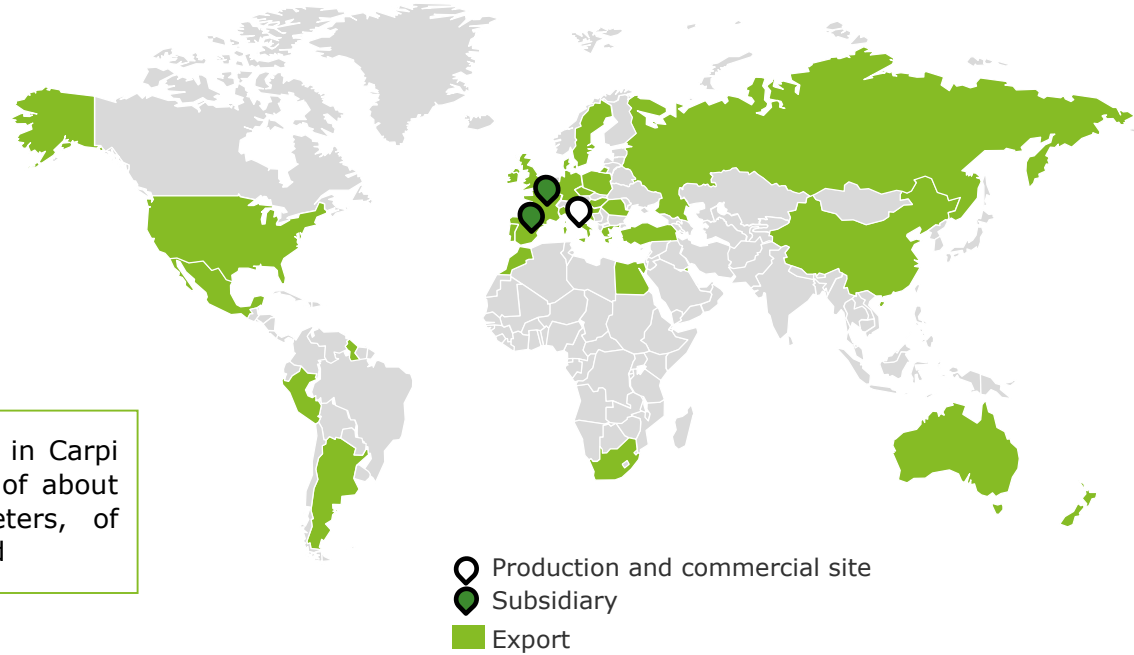
Geographic Footprint and Production Sites

Production Site



The production plant in Carpi extends for an area of about 130,000 square meters, of which 65,000 covered

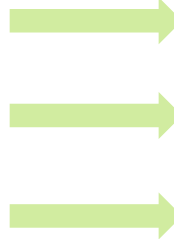
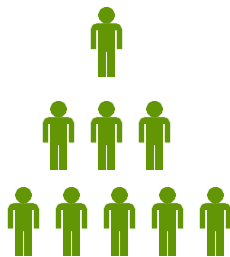
Global Spread



Work Force



179 Employees



2 Managers



52 Clerks



125 Permanent Workmen

Industry analysis

Goldoni Product Lines

Goldoni produces 4 main lines of products: specialized tractors, equal size wheel tractors, transcar and motocultivators

Specialized Tractors

The sector of tractors for specialized crops has always been "made in Italy". The particular uses for which these machines are intended impose different characteristics compared to traditional tractors in terms of design, of the engine aspects and of the driving position



Equal Size Wheel Tractors

This particular type of tractor has the main characteristic of having the wheels of the same size, allowing greater stability and lower tyre costs



Transcar

Goldoni's Transcar range has been designed to meet the specific needs of people who work in mountainous areas and require a machine that's particularly suitable for transporting jobs



Motocultivators

Represent a single-axle tractor, which is a tractor with one axle, self-powered and self-propelled, which can pull and power various farm implements such as a trailer, cultivator or harrow, a plough, or various seeders and harvesters





CP Plan Update

Introduction

This document reports the summary content of the Proposal of Modification of the Composition Plan, compared to the previous proposal submitted on September 14, 2020. **This proposal, which is an improvement on the previous one, reflects the current scenario of the sale of the going concern business related to Goldoni**, taking into account the competitive procedure currently underway, the content of the tender described and evaluated by the Court of Modena, and the support measures provided by the shareholder and documented on 20 January 2021. Thanks to the **support measures offered by Goldoni's controlling entities**, the proposal presented and contained in this document represents an **improved hypothesis** with respect to the bankruptcy scenario.

The ongoing competitive bidding procedure

On 26 January 2021, the Court of Modena **ordered the opening of the sale of the Goldoni Business**, as summarily identified below:

- "Capital goods" (including warehousing, machinery and equipment to aid production, vehicles for the transport of people and things, furnishings, electronic office machines, computer equipment and software)
- the authorisations, goodwill, certifications, customer lists and other information and data of a commercial nature held and, in general, everything concerning the technical, productive, organisational and commercial assets necessary for the industrial production, the production cycle, the marketing and sale of the assets created by the business unit in question, none excluded, in the state of fact and law in which they are found and as merely described in the appraisals in the deeds;
- the employment relationships as they will be at the date of the transfer of the company;
- the trademark "Goldoni" and therefore the Italian, Community, international and foreign trademarks listed in the list available at the Procedure;
- the industrial property rights and intellectual property rights, i.e. drawings, patents as well as the hardware infrastructure and the production and marketing software;
- the real estate complex used for production-industrial purposes consisting of an office building, an industrial production building used as the main production department, warehouses, a shipping department, various production departments, a canteen, an external building used for design and construction of prototypes, as well as large courtyard areas partly used as a test field and partly paved and used as a goods warehouse;
- the warehouse and/or stock consisting of compendiums of assets existing at the Company's registered office in the proceedings, at third parties' premises and at the Company's permanent establishments abroad, and includes finished products, engine warehouse, component and WIP warehouse and obsolete warehouse;
- the purchaser will not purchase, but will take care of the collection of the plaintiff's remaining trade receivables, by virtue of a specific mandate for collection for valuable consideration, which will be deemed to be conferred by a specific paragraph in the transfer decree.

All together hereinafter referred to as **"the Business Unit"**.

Price of Sales

As indicated in the aforementioned Decree, the base price of the competitive sale was set **at € 9.5 million**, plus legal taxes and transfer charges to be paid by the successful bidder for the entire and independent business unit. This value was determined on the basis of the updated appraisals carried out by the team of experts appointed by the Court.

The aforementioned Decree excluded that the payment of the price by the final adjudicator of the Business Unit could be made by taking over debts, not even for the portion of competencies accrued by the employees of the company in the procedure (such as, for example, severance pay, accrued holidays, unused leave, thirteenth and fourteenth month's pay, etc.).

The adjudication price must be paid in a first instalment equal to half of the adjudication price by and no later than 30 March 2021 and for the remaining part by and no later than 15.12.2021.

The proposed transaction

The Composition Plan envisages, on the one hand, the sale of the Business as described in the Court's notice and, on the other, the intervention of the Shareholder in the subscription of a paid capital increase and in the retrocession of intangible assets to the benefit of Goldoni.

Business Unit Sale

The Plan provides for the sale of Goldoni's assets. The proceeds generated by the sale will be entirely allocated to the payment of creditors in the context of the Procedure. The Business includes the following assets:

- 📁 The information system of Goldoni and Arbos;
- 📖 Intellectual Properties;
- 🏠 Fixed Tangible Assets;
- 🏭 Machinery and equipment;
- 📦 Inventory;
- 👤 Personnel Transfer.

Estimated
Price*
€4,5m

Support Measures

The Shareholder will endeavour to contribute actively through the implementation of initiatives aimed at i) ensuring the best possible repayment to creditors ii) facilitating the sale process through the sale of core assets.

- 📄 Waiver of trade receivables amounting to €12.3m;
- 📁 Reversion of the Goldoni brand;
- 📖 Transfer of Intellectual Property;
- 📄 Commitment to provide further financial support of up to €3.0m.

Support
Measures
€15,3m

Total
Contribution
€26,9m

The proposed manoeuvre would guarantee an additional flow to creditors amounting to €16.8m, net of the support that would be provided by the shareholder in order to achieve a high satisfaction rate. Including the capital increase paid by the shareholder, **the total contribution of the proposed manoeuvre for the benefit of creditors would amount to €19.8m.**

The sale of part of Goldoni's workforce would reduce the redundancy reserve by €5.8m. The continuity of the company would also allow a reduction in the funds allocated to cover the liquidation process by a total of €1.3m.

* The Plan provides for the sale of the Business for the amount of €4.5m to reflect the possibility of calls for tender subsequent to the first one

Proposal to Creditors

The Composition Plan provides for the establishment of a single class of unsecured creditors, consisting mainly of the Company's suppliers

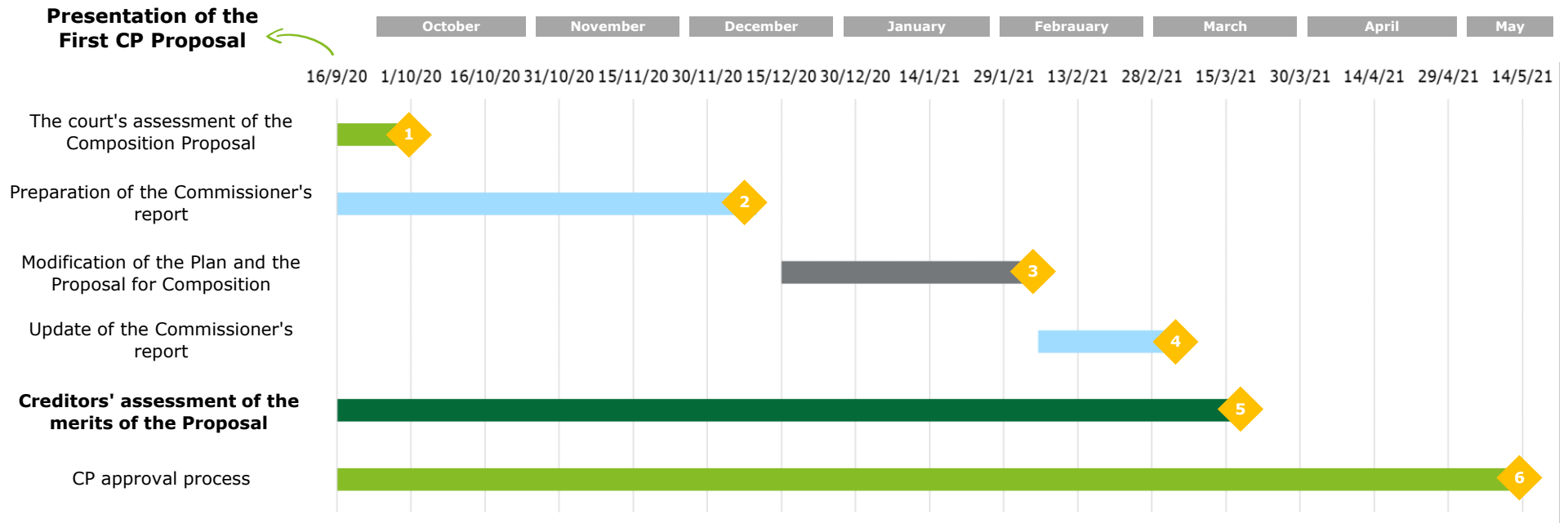
Preeductible debts	Treatment	Amount	Reimbursement
<p>These debts include all debts arising after the date of filing of the Composition with Creditors, including future (estimated) debts.</p>	<p>The Plan provides for preduction and management costs to be met in full when the respective deadlines are met</p>	12,3€m	100%
Privileged debts	Treatment	Amount	Reimbursement
<p>This category includes all payables to categories recognised as such by law, such as tax payables, social security payables, payables to employees, payables to artisans and professionals, and privileged risk provisions set aside to cover risks and charges to privileged parties.</p>	<p>The new Plan provides that the payment of preferential debts will be made within one year from the date of probate (May 2021).</p>	5,2€m	100%
Unsecured Debts	Treatment	Amount	Reimbursement
<p>This category includes payables arising prior to the date of filing the CP to suppliers, amounting to €15.7m and bank debts of €0.5m.</p>	<p>The new Plan provides for the repayment of about 50% of the total unsecured debt. The repayment will occur as the sale of the business will be completed.</p>	16,6€m	50%
Waived debts	Treatment	Amount	Reimbursement
<p>This category includes all payables to the companies of the Lovol - Arbos Group and includes both financial and trade payables.</p>	<p>The Plan provides for the full subordination of intra-group debts to shareholders. The shareholder's waiver of €12.3m of trade receivables constitutes a significant commitment to improving the arrangement proposal.</p>	62,1€m	0%



Expected Timing

Expected Timing

The restructuring process was launched on 13 February with the filing of the application for a blank composition agreement and will end on the date of approval, if the move is approved by creditors



Milestones

- 1 **1 October 2020:** the court declares open the Preventive Arrangement procedure filed by Goldoni on 16 September 2020
- 2 **9 December 2020:** the Court Commissioner, Mr Paolo Rinaldi, filed the report pursuant to Article 172 of the Bankruptcy Law (the "Report of the Court Commissioner")
- 3 **5 February 2021:** Goldoni submits the proposed amendment to the Composition Plan
- 4 **10 March 2021:** estimated hypothetical date for the submission of the report ex, 172 LF on the merits of the updated Plan
- 5 **18 March 2021:** date scheduled for the meeting of creditors and their vote on the acceptance or rejection of the Proposal
- 6 **10 May 2021:** hypothetical date of approval of the Arrangement, and simultaneous production of the effects described in the Plan



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