

GLENALTA AND CFT GROUP ANNOUNCE BUSINESS COMBINATION

- **CFT GROUP IS ONE OF THE WORLD LEADING OPERATORS IN PLANT CONSTRUCTION AND COMPLETE RANGES FOR THE TRANSFORMATION, PACKAGING AND SELECTION OF FOOD PRODUCTS.**
- **WITH THE COMPLETION OF THE BUSINESS COMBINATION, CFT GROUP WILL BE LISTED ON AIM ITALIA WITH A FREE FLOAT, EQUAL TO ABOUT 51.51 PERCENT. THE CURRENT CFT SHAREHOLDERS WILL RETAIN THE MAJORITY OF VOTING RIGHTS.**
- **FOLLOWING THE MERGER WITH GLENALTA, CFT GROUP WILL BENEFIT FROM NEW FINANCIAL RESOURCES, UP TO EURO 88 MILLION, WHICH WILL ACCELERATE ITS DEVELOPMENT PLANS AND ENABLE SOME TARGETED ACQUISITIONS.**

Milan, 27 February 2018 - The Boards of Directors of Glenalta S.p.A. ("**Glenalta**"), Italian SPAC listed on AIM Italia - Mercato Alternativo del Capitale organised and managed by Borsa Italiana S.p.A. ("**AIM Italia**") and CFT S.p.A. ("**CFT**"), groups' parent company with the same name ("**CFT Group**"), approved the "Business Combination", using a reverse take-over under art. 14 of the AIM Italia Issuers' Regulations, represented by a merger by incorporation of CFT into Glenalta (the "**Merger**"). The companies signed the agreement governing this transaction on today's date.

THE COMPANY

CFT Group was founded in 1945 and designs and manufactures machinery, complete ranges and turnkey systems, mainly for the Food & Beverage industry.

Parma-based CFT Group operates worldwide and has a direct presence in ten countries – Italy, Germany, France, Russia, Ukraine, USA, Brazil, India, China, and Malaysia. About 90 percent of its turnover is generated abroad.

CFT Group's product portfolio can be categorised in three divisions:

- I. **Processing:** designs and produces turnkey solutions, single machines and complete ranges for many food products. It transforms raw materials into finished products using the Rossi & Catelli, Manzini brands and through the Rolec Prozess und Brautechnik GmbH subsidiary;
- II. **Packaging:** designs and produces innovative solutions for filling and packaging mainly in the food & beverage sectors, through the Comaco, Sima and SBC brands;

- III. **Sorting:** through its Raytec Vision S.p.A. subsidiary it provides, a wide range of quality control and optical and X-ray selection solutions with different fields of application including fruit, vegetables, frozen foods and cereals.

CFT Group employs more than 570 people worldwide.

CFT share capital is 90 percent attributable to the founding family and the remaining 10 percent to the current CEO.

Based on the preliminary data, the CFT Board of Directors expects, pro-forma consolidated revenues amounting to approximately Euro 200 million for the year ended 31 December 2017. Pro-forma EBITDA is expected to equal Euro 19.7 million, and pro-forma net financial indebtedness will be approximately Euro 30 million. As of today, neither the CFT corporate bodies, or certified independent auditors have approved the financial statements.

Glenalta is an Italian special purpose acquisition company (SPAC) that has assets of approximately Euro 98 million. These assets which were collected during the admission to trading on AIM Italia which took place on 17 July 2017, will be allocated to aggregation transactions with target companies. Glenalta is supported by Luca Fabio Giacometti, Gino Lugli, Stefano Malagoli, Silvio Marengo, Lorenzo Bachschmid and Dario Di Iorio who are professionals with complementary experiences in multinational company management and extraordinary financial operations.

MAIN TRANSACTION TERMS

According to the terms in the agreement reached, CFT will be incorporated into Glenalta after the meetings planned in the coming weeks¹ and its name changed to CFT S.p.A. CFT will remain listed on AIM Italia and appear on the Electronic Stock Market of Borsa Italiana after all the conditions are met and the necessary technical times have passed.

Glenalta's resources will be partly used for the acquisition of a 10.4 percent stake in CFT's share capital (sold by the current CFT shareholders) with a total outlay of Euro 10,000,000, while the remaining Euro 88,000,000 will be used to finance the CFT Group's development.

For exchange rate purposes, CFT was assigned an equity value of Euro 96.5 million. The multiple of the pro-forma gross operating margin (EBITDA)² 2017 is approximately 6.2 times³, including the valuation of the equity of minorities at fair value and considering the normalised net financial indebtedness agreed between the parties in approximately Euro 11.3 million. As a consequence, the post-Merger free float will be equal to approximately 51.51 percent of the total share capital if the right of withdrawal is not exercised by any of Glenalta's shareholders⁴. As provided for in Glenalta's Articles of Association⁵, shareholders who have not taken part in the resolution approving the Merger may withdraw from the company under art. 2437 of the Civil Code.

¹ Glenalta's financial calendar will be amended to consider the Shareholders' Meeting to which the Business Combination will be proposed. The Meeting will be called upon to approve Glenalta's financial statements as at 31 December 2017.

² EBITDA = Earnings Before Interest, Taxes, Depreciation and Amortization.

³ Data corrected through the pro-forma simulation of the acquisitions made by the CFT Group during 2017 and the real estate divestment preliminary to the Business Combination implementation.

⁴ This percentage assumes the conversion of the first tranche of the special shares held by the SPAC promoters and does not consider any dilution resulting from the exercise of outstanding warrants.

⁵ Under Glenalta's Articles of Association, the resolution of the extraordinary shareholders' meeting of Glenalta approving the Merger plan is subject to the termination condition represented by the fulfilment of the following

The exchange ratio is equal to every 16 (sixteen) CFT shares, 21 (twenty-one) newly-issued Glenalta shares (to be divided between ordinary shares and multiple voting shares). The effective number of the newly issued ordinary shares and multiple voting shares will be determined based on the percentage of the withdrawal rights that will be effectively exercised by the Glenalta shareholders after the merger is approved.

In addition to ordinary shares, current CFT shareholders will hold shares with multiple votes which will not be available for trading on AIM Italia. This will allow the current CFT shareholders to continue to exercise the majority of voting rights at the Shareholders' Meetings of the post-Merger Company. On the effective Merger date, the current CFT shareholders will have approximately 59.24 percent of the total voting rights if no withdrawal right is exercised by any Glenalta shareholder and 63.3 percent of the total voting rights if the right of withdrawal is exercised by 33 percent of shareholders minus one.⁶

From the effective date of the Business Combination, ordinary shares assigned to the current CFT shareholders will be subject to a 36-month lock-up, while those with multiple voting will be subject to a 48-month lock-up.

The agreement concluded aims at providing incentives to the current management in the CFT growth process and provides for the free assignment of "bonus" ordinary shares if certain profitability and share price objectives are achieved.⁷

Capital injected into CFT through the Business Combination, estimated at approximately Euro 88 million, will be used to accelerate the growth process, including through acquisitions.

Following the Merger, the Board of Directors of the combined entity will be composed of nine members. Roberto Catelli (Chairman), Alessandro Merusi (Chief Executive Officer), Livia Catelli, Adele Catelli, Martino Pozzi, Gino Lugli, Stefano Malagoli and, as independent directors, Stefano Rossi and Daniele Raynaud.

As required by Glenalta's Articles of Association, following the completion of the Business Combination, the first tranche of the promoting shareholders' special shares (equal to 33.33 percent of the total) will be converted into ordinary shares. Under the Glenalta warrant regulations, on the effective date of the Merger for every ten ordinary shares outstanding, three warrants will be issued and assigned free of charge.

We inform you that, under art. 8.5 of the Glenalta Articles of Association, from today's date, due to the approval of the Significant Transaction by the Glenalta Board of Directors, it will no longer be possible to exercise the sale option granted by the Articles of Association to Glenalta ordinary shareholders.

COMMENTS

CFT Group President Roberto Catelli and CFT Group CEO Alessandro Merusi stated: "The listing on the Stock Exchange represents a fundamental step in the CFT Group's development, as it will allow us to have the resources necessary to accelerate internal and external growth which is a necessary condition for international competition.

conditions: (a) the exercise of the right of withdrawal by shareholders representing at least 33% of the share capital and (b) the completion of the liquidation proceedings of such shareholders withdrawing through the redemption or cancellation of shares equal to or greater than 33% of Glenalta share capital.

⁶ This percentage does not consider any dilution resulting from the exercise of outstanding warrants and the conversion of the second and third tranches of special shares; the same percentage considers the dilution resulting from the conversion of the first tranche of special shares. It must be considered as the maximum percentage of voting rights held by the current CFT shareholders, which will decrease if warrants and the second and third tranches of the special shares are converted.

⁷ These shares will have the same characteristics as the outstanding ordinary shares and will be issued at five percent of the share capital of the combined entity in the maximum dilution scenario.

With this operation, we aim to consolidate our leadership position in the reference markets and to become a national processing, packaging and sorting technology champion, especially in the food & beverage sectors, creating a "made in Italy" centre of excellence.

Glenalta's President, Luca Giacometti, said: "We are pleased to bring a family-based industrial group that represents an Italian technological excellence in its reference sector onto the Stock Exchange. We believe that the CFT Group, through the capital contributed by Glenalta, can follow a path of international consolidation and growth. The Group has a strong international focus with 90 percent of sales abroad and is a candidate to act as an aggregator in the food & beverage machinery sector. In Italy and the main international markets this sector is highly fragmented, and there is good potential for consolidation. We believe that we offer our many investors an excellent opportunity to create value by contributing to the growth of Italian industry worldwide."

CONDITIONS AND TIMING

The transaction's conclusion is subject to (i) the approval of the merger transaction by the Shareholders' Meetings of Glenalta and CFT; (ii) the failure to meet the termination condition outlined in Art. 14.3 in the Glenalta Articles of Association.

The Merger presupposes a demerger of part of CFT's real estate assets (including real estate used in the company's business) using a partial proportional corporate demerger of CFT to several company vehicles owned by the current CFT shareholders.

Considering the legal period granted to creditors for Merger opposition, the Business Combination completion, subject to all conditions, is expected by the end of July 2018.

FURTHER INFORMATION

An Information Document, prepared under art. 14 of the AIM Italia Issuers' Regulations will be made available under the terms provided for by the applicable laws and regulations at the Glenalta registered office and on the www.glenalta.it website as soon as it is available. Glenalta in its role of issuer and CFO SIM as Nominated Advisor will release necessary statements. Further documentation relating to the Merger and Business Combination will be made available to the public according to legal terms and methods.

CONSULTANTS

CFO SIM, which acted as Global Coordinator, holds the role of Glenalta Nominated Advisor and Specialist and will hold the role of CFT Nominated Advisor and Specialist starting from the merger's effective date.

Glenalta is legally assisted by the Gatti Pavesi Bianchi Firm, by the Ludovici Piccone & Partners Firm for any accounting consulting. KPMG is providing the financial due diligence, and Kaleidos Finance the technical and financial consulting.

CFT Group was legally assisted by the Molinari e Associati Firm and by Brera Financial Advisory for financial consulting.

CFO SIM is assisted for the legal aspects by the Dentons law firm.

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