



Letter to the shareholders June 2020

This year everything is different. By tradition we would have met in Boca in June for the Annual General Meeting of the Boca Holding AG. The 18<sup>th</sup> March 2020 we communicated, that we have to postpone the AGM because of Corona to the 5<sup>th</sup> September 2020. *The 19<sup>th</sup> June 2020 the board has discussed the situation in Italy in his meeting. The prescriptions in Italy are still quite strong and the way to meet together very limited, travelling by air is not recommended and the closing of our balance sheet postponed by the Virus. The board decided to cancel the AGM in Boca the 5th September 2020 replacing it by a Videomeeting with Christoph Kuenzli and his Team in Boca and the shareholders. Information about vineyards, construction, cellar, wines and sales will be given. Later on we will inform you about the details. The formal AGM will be held in the III Quarter 2020 in Zürich. The shareholders will get the opportunity to be represented. At once the consolidated Balance sheet are available we will send it together with the invitations to the AGM and the power of attorney.*

In March we had very little idea about how affect the *Corona pandemic* our life. Italy has been hit very strong and the lockdown is opening very slowly and with hard restrictions. The economic damage is huge and the perspectives are not promising. Tourism in Italy, one of the strong motors of economy will not recover before 2021 even if now at least the borders in Europe are open again. The Corona Pandemic get in the meantime worldwide dimensions never had before. Le Piane as a company focused on export suffers strongly by the consequences. Even our differentiation in many markets does not help in this global crisis.

We are happy that all the team in Le Piane is in good health and the work in the vineyards went ahead as normal. The shop after 3 month closing is open again but people not yet moving around in the country. The building of the warehouse started with big delay but we still hope to finish it in September to put the new bottled wines in. The new vineyards we are still preparing reaching only partly the planned amount of plantation in 2020.

We expect from the second quarter important losses in sales and some postponed payments. Le Piane has not the liquidity to catch up the financial issues. Since months the Italian Government is discussing helps for the companies but as yet we don't see any concrete steps and we are very doubtful to get some substantial help from this side. The credit of our bank to build the new warehouse even if lower than planned is secure. The investments for the wine cellar we postponed to 2021 as the planning and approval process slowed down.

For the next two years the board of Boca Holding AG expects much slower sales and drew up some scenarios to have an idea about assuring liquidity. During the last weeks, some shareholders promised to grant some financial help in form of loans to the Boca Holding AG with interest rates, which are much lower than the market rates. This should help to keep Le Piane stable. The board thanks all the shareholders who are ready to help in that crisis symbol of great confidence and commitment to Le Piane.

Le Piane is on the right track. The position in Boca is strong and with further purchase of best land for future vineyards ready to continue the leadership in the whole Northern Piedmont. Christoph Künzli and his team can be proud on the great scores just published by Antonio Galloni: Le Piane Bianco 2018 (90-92 pts), Maggiorina 2018 (92 pts), Mimmo 2016 (93 pts), Le Piane 2016 (93 pts), Le Piane 2017 (91 pts), Boca 2013 (95+ pts), Boca 2015 (94+ pts), Boca 2016 (94-96 pts). Le Piane has built up a strong network of distribution all over Europe and Northern America and starts to have first results in Asia-Australia. The team of Le Piane will use the positive experience in Corona times to better use digital communications to the customers. Le Piane has still a good position for the time following Corona.

The next months will remain a big challenge. The shareholders of Boca can participate strongly to help the sales. Shortly you will find on our homepage the *Subscription Offers* with prices, which are very attractive (40-50% lower than the market prices). It would be important if especially in 2020 shareholders order big amounts of wine (with discount on quantity). The quality of our wines has reached highest levels and you can use the bottles also for gifts to your friends or business partners. Further don't hesitate to put some orders together between your good friends or family network.

Thomas Bühlmann  
President of the board BHAG

Zürich, 28 June 2020