



Press Release

GAROFALO HEALTH CARE S.P.A.: FINANCING TRANSACTION OF UP TO 275 MILLION COMPLETED CONSISTING OF 180 MILLION IN REFINANCING, 70 MILLION AVAILABLE FOR BOTH ORGANIC GROWTH AND M&A AND 25 MILLION AVAILABLE FOR ANY SHORT-TERM NEEDS

THE FINANCING, WHICH ALSO INCLUDES A €50 MILLION PRIVATE PLACEMENT, EXTENDS THE AVERAGE MATURITY OF THE DEBT AND WAS PROVIDED BY A POOL OF LEADING BANKS AND INSTITUTIONAL INVESTORS

FORESEEN THE INTRODUCTION OF A "SDG-LINKED" MARGIN ADJUSTMENT MECHANISM UPON ACHIEVEMENT OF ESG TARGETS

Rome, July 8, 2024 – Garofalo Health Care S.p.A. ("**GHC**") announces that it has today signed a financing transaction for a total amount of up to €275M with leading banks (UniCredit, Banco BPM, BNL BNP Paribas – also with the role of Agent Bank – Monte dei Paschi di Siena), in addition to tier 1 institutional investors (Cassa Depositi e Prestiti, F2i, Anima Alternative SGR, Mediolanum Gestione Fondi, Arca).

Alessandro Maria Rinaldi, Chairman of Garofalo Health Care, stated: *"The transaction testifies the attractiveness of Garofalo Health Care to banks and investors, who appreciate our unique business model and the strong growth prospects of our sector. In particular, we are proud that our strategic vision has gained the solid support of the banking system, represented by UniCredit and Banco BPM, already involved in the previous financing, together with BNL BNP Paribas and Monte dei Paschi di Siena, banks of absolute national standing. We are also very pleased that the 50 million Private Placement has garnered the interest of institutional investors of the calibre of Cassa Depositi e Prestiti, also involved in the Capex Line, F2i, with his Infrastructure Debt fund, as well as Anima, Mediolanum Gestione Fondi and Arca, these latter three holding stakes in our company since the IPO. This transaction allows us to set our sights on a new phase of both organic and acquisition-led growth, while always through a careful and disciplined use of financial leverage. The presence of institutional investors alternative to the banking sector for the provision of funding and the presence of Foundations and Social security and welfare institutions in the shareholder structure, in addition to mutual funds and traditional investors, places GHC in a situation of considerable social responsibility and absolute privilege."*

Transaction structure

The transaction, signed up to €275M, consists of:

- (i) Medium/long-term line of €180M, mainly for the refinancing of existing bank lines, of which €130M bank loan (unsecured, floating rate, amortizing and duration of 6 years) and €50M non-convertible bond privately placed with leading institutional investors, i.e. "Private Placement" (unsecured, fixed rate, bullet and duration of 7 years);
- (ii) Capex line of up to €70M, available to the Group to support the M&A strategy and for organic expansion and development investments (unsecured, floating rate, amortizing and duration of 7 years); and
- (iii) Revolving bank line of up to €25M, aimed at supporting any working capital needs (unsecured, duration of 7 years).

The transaction was structured on a fully unsecured basis, fully removing the guarantees set under the previous financing, allowing GHC to extend the average maturity of the debt beyond 5 years (from the current 2 years).

Confirming the increasing importance of ESG issues for the Group, which already has a long-term Investment Grade EE+ ("Very Strong") ESG rating assigned by Standard Ethics, it should also be noted that the bank loan provides for the introduction of a "SDG-Linked" margin adjustment mechanism that may allow the Group a further reduction in the interest rate on the achievement of ESG targets, the latter to be defined within 12 months.



Finally, the transaction involves compliance with standard market financial covenants and also, with reference to the medium/long-term bank loan, the use of interest rate risk hedging instruments.

Rationale of the transaction

The transaction allows GHC Group to:

- (i) put in place new financial resources to pursue its growth strategy in a flexible and efficient manner, thanks to an extremely versatile Capex Line that can be used both to finance new acquisitions and to support investments in existing facilities (this latter not covered by the previous financing);
- (ii) introduce significant elements of operational flexibility which are key to the pursuit of its strategy, reflecting also the Group's strong credibility with the financial system;
- (iii) comprehensively improve the overall conditions of the existing financial debt, including: the total absence of guarantees, the extension of the average remaining maturity - which will free up financial resources previously earmarked to service the debt - accompanied by an improved pricing of the medium/long-term bank loan compared to the previous financing;
- (iv) diversify its sources of financing, through the Private Placement instrument;
- (v) broaden its base of leading banks and institutional investors with a view to establishing long-term strategic relationships.

Finally, it is announced that the bond (Private Placement) will be unrated and its admission to listing on the "Euronext Access Milan" market of Borsa Italiana (Italian Stock Exchange) will be requested. For further details on terms and conditions, please refer to the Bond Admission Document, which will be published on GHC's website by the day before the issue date.

GHC was assisted by Mediobanca as transaction advisor and Lead Manager of the Private Placement and by PwC for the legal aspects. The lenders and institutional investors were assisted in the legal aspects by Hogan Lovells.

CONFERENCE CALL TO COMMENT ON THE FINANCING TRANSACTION

The Company announces that a conference call will be held tomorrow, July 9, 2024, at 9AM (CET) for investors and analysts to comment on the financing transaction announced today.

The Group's Chief Executive Officer Ms. Maria Laura Garofalo, together with the top management, will take part in the conference call.

The call shall be held in Italian. A transcript of the call shall be made available also in English on the company website (www.garofalohealthcare.com, Investor Relations / Presentations section).

Registration via the link below is required to participate in the conference call. It is specified that once you have registered (by accessing the link below), you will receive a registration notification by email with which you will be notified of your personal Passcode and PIN, which must be used to directly and uniquely access the conference call:

<https://services.choruscall.it/DiamondPassRegistration/register?confirmationNumber=8676874&linkSecurityString=11e193ebbe>



The GHC Group

The GHC Group, listed on the Euronext STAR segment of the Italian Stock Exchange, is an Italian accredited private healthcare leader operating through 37 healthcare clinics demonstrating excellence and offering a comprehensive range of services covering all areas of healthcare thanks to diversified specialties, the use of cutting-edge technologies and highly-qualified personnel. The Group in fact operates across eight regions in Northern and Central Italy (Piedmont, Lombardy, Veneto, Friuli-Venezia Giulia, Emilia Romagna, Liguria, Tuscany and Lazio), covering in the hospital sector acute admissions, long-term care, post-acute rehabilitations and outpatient services (the "Hospital Sector"), and in the social services and dependency care sector covering residential admissions and district outpatient services (the "Social Services and Dependency Care Sector").

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FOR FURTHER DETAILS:

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