

Informazione Regolamentata n. 2251-8-2023	Data/Ora Ricezione 08 Marzo 2023 14:18:24	Euronext Milan
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Societa' : GVS

Identificativo : 173167

Informazione
Regolamentata

Nome utilizzatore : GVSN03 - Bala

Tipologia : REGEM

Data/Ora Ricezione : 08 Marzo 2023 14:18:24

Data/Ora Inizio : 08 Marzo 2023 14:18:25

Diffusione presunta

Oggetto : GVS - Subordinated loan by the majority
shareholder - Amendment of financial
covenant

Testo del comunicato

Vedi allegato.



PRESS RELEASE

PROVISION BY THE MAJORITY SHAREHOLDER OF A SUBORDINATED AND UNSECURED LOAN OF EURO 75 MILLION AGREEMENT TO AMEND THE INTEREST COVERAGE RATIO FINANCIAL COVENANT

Zola Predosa (BO), 8 March 2023 - Further to the communication dated 23 December 2022, GVS S.p.A. ("**GVS**" or the "**Company**"), within the framework of the activities aimed at ensuring compliance with the contractual covenants for the test date of 31 December 2022, announces **the signing of an agreement** between the majority shareholder GVS Group S.r.l. and the Company, concerning a **subordinated and unsecured shareholders' loan of Euro 75 million, to be disbursed by 10 March 2023 and maturing on 31 December 2027** (the "**Transaction**" or the "**Loan**"). The Company further announces that **it has** concurrently **reached an agreement** with (i) the pool of banks of its syndicated facility agreements (EUR 230 million, maturity 2027 and EUR 150 million, maturity 2026) and the financial institutions with respect to its bilateral financing agreements (the "**Facility Agreements**"), as well as (ii) the noteholders under its US private placements (EUR 40 million, maturity 2024, ISIN IT0005279994, and USD 35 million, maturity 2024, ISIN IT0004983067 (the "**Notes**")) to **amend the interest coverage ratio** contained in the Facility Agreements and the Notes.

1. SUBORDINATED LOAN BY THE MAJORITY SHAREHOLDER

This solution **will allow compliance with the financial covenant level Leverage Ratio** as resulting from the agreements reached with the financial counterparties and communicated on 23 December 2022. In particular, the amount of the Loan was determined on the basis of the preliminary information available, which shows a consolidated net financial position of about Euro 375 million and *pro forma* adjusted EBITDA, used to calculate the financial covenants, of about Euro 86 million as of 31 December 2022. Note that the consolidated financial statements as at 31 December 2022 and the draft financial statements will be approved on 21 March 2023.

The Transaction qualifies as a **related party transaction of greater significance**, as the materiality index relative to the countervalue of the transaction as per Annex 3 of the Consob RPT Regulation and the GVS Procedure on Related Party Transactions is greater than 5%. The Board of Directors of GVS approved the Transaction on 8 March 2023, after obtaining the reasoned favourable opinion of the Control, Risks and Sustainability Committee, acting as Committee for Transactions with Related Parties, on GVS's interest in carrying out the transaction, as well as on the convenience and substantial correctness of the related conditions and with the abstention of the directors Grazia Valentini, Massimo Scagliarini, Mario Saccone and Marco Scagliarini as "Directors Involved in the Transaction" pursuant to the GVS Related Parties Procedure.

GVS S.p.A.

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Cap. Soc. € 1.750.000 int. vers. - C.F. 03636630372 - P. Iva 00644831208

R.E.A. 0305386/BO - Reg. Imprese 45539/BO - Mecc. BO 012048



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The main features of the Loan are set out below:

- **Amount: Euro 75 million**, to be repaid, subject to early redemption, on **31 December 2027**.
- **Purposes:** The Loan is intended to enable compliance with the Leverage Ratio, provided for under the current loans, as at 31 December 2022 (limit level of 3.5x). Furthermore, **should operational needs require it, the sums deriving from the Loan could in any case be used by GVS for operational needs.**
- **Utilisation:** the Company undertook not to use the sums deriving from the Loan to the extent that it has additional resources available, while still being able to **carry out treasury management activities.**
- **Interest:** The Loan provides for a **remuneration equal to 80% of the gross yield of the BOT** (Italian Treasury Bill) with a maturity of 12 months, **to be calculated solely on the amount not utilised by the Company for its operating needs.** Therefore, to the extent that GVS uses all or part of the Loan for operational needs, **no interest will accrue on these uses.** The initial interest rate (i.e., from the disbursement date to 31 December 2023) was conventionally set at 2.5% per year. The accrual and payment of interest remain subject to additional conditions mainly related to the subordinated nature of the Loan and compliance with the financial covenants of the outstanding debt.
- **Early repayment hypothesis: GVS is obliged to repay the Loan in full** (plus any interest), **subject to the Company's positive assessment of its short- to medium-term financial soundness** in the event that:
 - o the **Company should repay in full the indebtedness arising from the Facility Agreements and the Notes** prior to their respective repayment dates
 - o subsequent to 30 June 2024, **the ratio of consolidated net debt** (calculated assuming full repayment of the Loan) **to consolidated EBITDA does not exceed, at the relevant date of verification, the ratio of 3.0x**

The sums deriving from the Loan may be used by GVS Group s.r.l. for the subscription of potential capital increases of the Company.

- **Subordination:** Subject to the assumptions of early repayment and possible payment of interest described above, the **Loan is subordinate in nature with respect to pooled financing and current bonds.**

GVS will publish, within the terms set forth in the Consob RPT Regulation, the information document concerning the transaction relating to transactions of greater significance with related parties, prepared in accordance with article 5 and in compliance with the scheme set forth in Annex 4 of the Consob RPT Regulation and the GVS Related Parties Procedure.

2. AGREEMENT TO AMEND THE INTEREST COVERAGE RATIO FINANCIAL COVENANT

The **agreement** between the Company and the syndicate of banks and the noteholders, respectively **provides for the** ratio of consolidated EBITDA to consolidated net finance charges



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(interest coverage ratio) to be set for the test date falling on 30 June 2023 and 31 December 2023 to lower levels than those originally provided for under the Facility Agreements and the Notes purchase agreements (resulting in a reduction in the interest coverage ratio **from 4.5x to 3.5x**).

The amendment to the interest coverage ratio was negotiated as a precautionary measure in order to take into account a scenario of increasing borrowing costs to be borne by the Company in the 2023 financial year as a result of an increase in the interest rates set by the European Central Bank with the aim of reducing inflation.

Contacts

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Fine Comunicato n.2251-8

Numero di Pagine: 5