

Carraro Finance S.A.: approval of the issuance of non-convertible senior unsecured unrated notes for up to Euro 120 million

The proceeds will be used towards redeeming the senior unsecured unrated and non-convertible notes of Euro 180 million due January 2025, also by means of the partial use of cash reserves

Luxembourg, 16 October 2023 –Carraro Finance S.A. ("**Carraro Finance**") announces that today, the Board of Directors resolved upon the issuance of senior unsecured unrated and non-convertible notes to be issued by Carraro Finance and guaranteed by Carraro S.p.A. (the "**Notes**").

The Notes are expected to be offered to the general public in Luxembourg and Italy, through the procedure for the distribution of financial instruments governed by the Regulations adopted by Borsa Italiana, and to be distributed with (i) qualified investors (as defined in Article 2(1)(e) of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") or the Prospectus Regulation as transposed into United Kingdom domestic law by virtue of the European Union Withdrawal Act 2018) in the European Economic Area and the United Kingdom; and (ii) institutional investors abroad, pursuant to "Regulation S" of the United States Securities Act of 1933 (as amended), excluding the United States of America, Australia, Canada or Japan as well as any other country or jurisdiction in which the offer or sale of the Notes is prohibited by law or in the absence of exemptions.

The Notes will be issued for a total nominal amount ranging from a minimum of Euro 100million to a maximum of Euro 120 million at an issue price equal to 100% of its nominal value, with a minimum denomination of Euro 1,000 and will have a duration of five (5) years from the issue date and, consequently, the maturity date will be 6 November 2028. The Notes provide for optional early redemption under certain circumstances, including (i) a voluntary optional early redemption after the first 18 months (i.e., starting from 6 May 2025) at a price equal to 103.0% of the nominal amount, at a price equal to 101.5% of the nominal amount starting from 6 May 2026 and at a price equal to 100% of the nominal amount starting from 6 May 2027, and (ii) a mandatory early redemption upon the occurrence of an event of change of control. The Notes will bear interest at a fixed rate of 7.75% (gross) to be paid on an a semi-annual basis.

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It is envisaged that the proceeds deriving from the issuance of the Notes, also by means of the partial use of cash reserves, will be used to early redeem, by 31 December 2023, the senior unsecured unrated and non-convertible notes for an amount of Euro 180 million due January 2025.

The Notes will also provide for an incurrence covenant, linked to the level of indebtedness, and failure to comply with such covenant will result in debt restrictions and default events in line with market practice. In addition, the Notes will include certain limits on the distribution of dividends linked to the level of indebtedness.

Subject to the necessary approvals and authorisations by the competent Authorities and/or stock exchanges, it is envisaged that the Notes will be admitted to listing and trading on the regulated market of the Luxembourg Stock Exchange as well as on the "Mercato Telematico delle Obbligazioni" organised and managed by Borsa Italiana S.p.A. (MOT).

For the purposes of the above-mentioned public offering and listing of the Notes, a prospectus will be published further to the approval by the CSSF (*Commission de Surveillance du Secteur Financier*) as the Luxembourg competent authority and will be then passported to Italy in compliance with applicable laws. Once approved, the prospectus will be available in the appropriate section of the Carraro Finance website (www.carrarofinance.lu).

Within the context of the Notes' issuance, Equita SIM S.p.A. will act as placement agent and as operator appointed for placing the sales proposals of the Notes on the MOT.

It is expected that, subject to obtaining the required approvals and authorisations and subject to market conditions, the offering of the Notes will start on 25 October 2023 and will end on 31 October 2023 and that the issuance of the Notes will take place on 6 November 2023. The opening and closing dates of the offering period and the issue date will be indicated in the prospectus that will be published upon approval and will be communicated by way of a further press release.

Further details will be provided prior to the start of the offering period.

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This press release has been prepared on the assumption that any offer of securities pursuant to the Prospectus Regulation in any member State of the European Economic Area ("**EEA**") (each, a "**Relevant Member State**"), and except in the case of a public offering in Italy and Luxembourg on the basis of an English language prospectus approved by the Luxembourg *Commission de Surveil-*

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lance du Secteur Financier and passported into Italy in accordance with applicable regulatory provisions together with the Italian translation of the summary note (the "**Permitted Public Offering**") will be made pursuant to an exemption from the requirement to publish a prospectus for offers of securities provided for in the Prospectus Regulations. Investors should not subscribe any securities to which this press release relates except on the basis of the information contained in the Prospectus.

The prospectus, once available and together with the Italian translation of the summary will be published and made available free of charge, inter alia, on the website www.carrarofinance.lu. Investors should not subscribe for any securities to which this press release relates except on the basis of the information contained in the prospectus.

This document is a press release and not a prospectus pursuant to the Prospectus Regulation.

Neither Equita SIM S.p.A., nor its directors, officers, employees, advisers or agents accept any liability whatsoever or make any representation or warranty, either express or implied, as to the truthfulness, accuracy or completeness of the information relating to Carraro Finance S.A. (the "**Company**") and Carraro S.p.A., to their subsidiaries or affiliates (the "**Group**"), nor for any loss deriving from the use of this press release or its contents or in relation thereto.

This press release contains forecasts and estimates that reflect the management's current opinions regarding future events. Forecasts and estimates are typically identified by expressions such as "it is possible," "one should," "it is foreseen," "it is expected," "it is estimated," "it is believed," "it is intended," "it is planned," "objective," or by the negative use of these expressions or other variations of these expressions or by the use of comparable terminology. These forecasts and estimates include, but are not limited to, all informations other than historical data, including, without limitation, that relating to the Company's and/or the Group's future financial position and results of operation, strategy, plans, objectives and future developments in the markets in which the Company or any Group's company operates or intends to operate.

Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements as a prediction of actual results. The Group's ability to achieve its projected objectives or results is dependent on many factors which are outside management's control. Actual results may differ materially from (and be more negative than) those projected or implied in the forward-looking statements. Such forward-looking information involves risks and

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uncertainties that could significantly affect expected results and is based on certain key assumptions.

The Company does not undertake to update or review publicly forward-looking statement, whether as a result of new information, future events or otherwise, except as may be required by applicable law.

Solely for the purposes of the product governance obligations provided for: (a) in Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) in Articles 9 and 10 of Delegated Directive (EU) 593/2017 supplementing the MiFID II directive; and (c) national implementing measures (collectively, the "**MiFID II Product Governance Obligations**"), and not accepting any liability that may arise in contract, tort or otherwise *vis-a-vis* any "manufacturer" (within the meaning of the MiFID II Product Governance Obligations) in connection with such obligations, the Notes have been subject to a product approval process, which has identified the Notes as: (i) compatible with an end market of retail investors and investors who meet the requirements of "professional clients" and "eligible counterparties" as respectively defined under MiFID II; and (ii) reserved for distribution through all distribution channels as permitted by MiFID II (the "**Target Market Assessment**").

It should be noted that the Target Market Assessment does not constitute: (a) an assessment of the adequacy or suitability for MiFID II purposes; or (b) a recommendation to any investor or group of investors to invest in or purchase, or engage in any transaction with respect to the Notes. Any person who subsequently offers, sells or recommends the Notes (the "**Distributor**") should consider the manufacturer's Target Market Assessment. Each Distributor is responsible for making its own assessment of the target market with respect to the Notes and determining the appropriate distribution channels.

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