



ARCTIC PAPER

Current report number 22/2019

Dated: September 19th 2019

Subject: Conclusion of a new factoring agreement by subsidiary company.

General legal basis:

Art. 17 sec. 1 of MAR – inside information

Content:

The Management Board of Arctic Paper S.A. (the "**Company**") hereby announces that on 19th September 2019 Arctic Paper Kostrzyn S.A. ("**AP Kostrzyn**") a 100% subsidiary of the Company, concluded a factoring agreement with assignment of receivables arising from an insurance agreement ("**Factoring Agreement**"), which was concluded between AP Kostrzyn as seller and Santander Factoring sp. z o.o. (the "**Factor**") as factor.

Under the Factoring Agreement, the Factor is to provide factoring services for AP Kostrzyn incorporating the acquisition of AP Kostrzyn' receivables from its counterparties, with the maximum factoring limit granted to AP Kostrzyn being PLN 30,000,000 (thirty million zlotys) and it's valid until 31st of October 2020.

The Factoring Agreement provides for the establishment of the following security interests, which are standard for agreements of this type:

- assignment of present and future receivables from counterparties declared to the Factor by AP Kostrzyn;
- a blank promissory note with a promissory note declaration; and

The Factoring Agreement does not depart from market standards used in similar factoring agreements.

The conclusion of the Factoring Agreement is associated with the profitability improvement program implemented by the Arctic Paper Group, in particular the improvement of working capital management.

Specific legal basis:

Art. 17 sec. 1 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.