



ARCTIC PAPER

Current report no. 12/2021

Date: 2nd April 2021

Subject: Conclusion of material agreement related to the refinancing process by Arctic Paper S.A.

General legal basis:

Art. 17 sec. 1 of MAR – inside information

Content:

The Management Board of Arctic Paper S.A. (the "Company") informs that on 2nd of April 2021 the Company entered into a term and revolving facilities agreement (the "**Facilities Agreement**"), which was concluded between the Company as borrower and guarantor, the Company's subsidiaries Arctic Paper Kostrzyn S.A., Arctic Paper Munkedals AB, and Arctic Paper Grycksbo AB, as guarantors (the "**Guarantors**") and a consortium of banks composed of: Santander Bank Polska S.A. (the "**Security Agent**"), BNP Paribas Bank Polska S.A. and Bank Polska Kasa Opieki S.A. (jointly: the "**Lenders**"), under which the Lenders granted the Company a term facility divided into two tranches in the amounts of, respectively, PLN 75,000,000 and EUR 16,100,000 and a revolving facility for a total amount EUR 32,200,000 (the "**Facilities**").

To secure the claims of the Lenders under the Facilities Agreement and other related finance documents, the Company and the Guarantors will establish, amongst others, the following security interests: registered pledge and financial pledge over shares in Arctic Paper Kostrzyn S.A., pledges over shares in companies incorporated under Swedish law, i.e. Arctic Paper Munkedals AB and Arctic Paper Grycksbo AB, statements on submission to enforcement by the Company and Arctic Paper Kostrzyn S.A., registered pledges and financial pledges over bank accounts of the Company and Arctic Paper Kostrzyn S.A., pledges over bank accounts of Arctic Paper Munkedals AB and Arctic Paper Grycksbo AB, mortgages established on real properties of Arctic Paper Kostrzyn S.A., mortgages established on real properties of Arctic Paper Munkedals AB and Arctic Paper Grycksbo AB, registered pledge over assets of Arctic Paper Kostrzyn S.A. and security over rights under property insurance policies of the Company, Arctic Paper Kostrzyn S.A., Arctic Paper Munkedals AB and Arctic Paper Grycksbo AB.

The Management Board of Arctic Paper S.A. in current report no. 04/2021 dated February 5th, 2021, informed investors about the decision to start work in connection with the



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Company's planned refinancing of the existing financial debt of the Company and its subsidiaries resulting from, amongst others, the concluded term and revolving facility agreement.

The aforesaid agreements represent such alternative financing and a change to the structure of the financing of the Company's group.

Below the Company provides detailed information regarding the matters presented above:

1. The Facilities Agreement

Pursuant to the Facilities Agreement, the Lenders made the following loan facilities available to the Company:

- (i) a term loan facility, payable in two tranches – tranche 1 of PLN 75,000,000 (seventy five million zlotys) and tranche 2 of PLN 16,100,000 (sixteen million one hundred thousand euro) (the "**Term Facility**"); and
- (ii) a revolving credit facility of EUR 32,200,000 (thirty two million two hundred thousand zlotys) (the "**Revolving Facility**").

The Term Facility was made available, subject to the appropriate terms of the Facilities Agreement, for the purpose of refinancing of the Company's and its certain subsidiaries' existing indebtedness under, amongst others, the term and revolving facilities agreement as described in the current report no. 04/2021 dated February 5th, 2021.

The Revolving Facility was made available, subject to the appropriate terms of the Facilities Agreement, and may be used towards the general corporate and working capital purposes of the Company and its certain subsidiaries (including intra-group on-lending in any form).

The disbursement of the Facilities, is conditional on the fulfilment of conditions precedent by the Company and the Guarantors

Pursuant to the provisions of the Facilities Agreement, the Facilities bear interest according to a floating rate based on the WIBOR base reference rate in the case of financing in PLN and EURIBOR base reference rate in the case of financing in EUR and variable margin, the level of which will depend on the level of the net debt-to-EBITDA ratio.

Under the Facilities Agreement, the relevant Facilities will be repaid by:

- (i) in the case of the Term Facility – the date falling five years after the Facilities Agreement; and
- (ii) in the case of the Revolving Facility – the date falling three years after the date of the Facilities Agreement, with an option to extend the terms of the Revolving Facility by two additional years in accordance with the Facilities Agreement.



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The Term Facilities will be repaid in equal instalments paid every six months starting from November 2021 and the Revolving Facility will be repaid on the final maturity date.

2. Security interests

The Company and the Guarantors will establish securities for repayment of the liabilities under, amongst others, the Facilities Agreement for its duration.

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.