Postmedia Completes Refinancing Transaction

TORONTO--(BUSINESS WIRE)--November 30, 2023--Postmedia Network Canada Corp. ("**PNCC**" or the "**Company**") today announced that it has completed a refinancing transaction (the "**Refinancing**") in respect of its wholly-owned subsidiary Postmedia Network Inc. ("**PNI**" and together with PNCC, "**Postmedia**").

The Refinancing will result in, among other things: (i) the issuance of approximately USD $14.9 million of new first lien notes, maturing November 2028, at an interest rate of 10.5% if paid in cash or 11.5% if paid in kind (the "**New First Lien Notes**"), (ii) the redemption in full of PNI's existing 8.5% first lien notes (the "**Existing First Lien Notes**") with the proceeds of the aforementioned issuance of New First Lien Notes; (iii) the partial repayment of approximately CAD $4.7 million of unsecured indebtedness with proceeds from the aforementioned issuance of New First Lien Notes and (iv) the entering into of a new 3 year asset-based lending facility (the "**New ABL Facility**") with an aggregate commitment equal to the lesser of USD $40 million and a borrowing base, with an advance at closing to be used to repay PNI's existing asset-based lending facility of approximately CAD $14.5 million in full and other transaction fees and expenses.

Key Terms of the Refinancing

The Refinancing has the following key elements:

- PNI will redeem in full the issued and outstanding Existing First Lien Notes and terminate the senior secured notes indenture dated as of September 9, 2019 (as amended from time to time, the "**Existing First Lien Indenture**"), as well as partially repay unsecured indebtedness owing to Chatham Asset Management, LLC on behalf of certain of its affiliated funds and managed accounts who will also hold all of the New First Lien Notes being issued.
- Concurrently with the Redemption and Termination, PNI, as issuer, and PNCC, as a guarantor, will issue approximately USD $14.9 million in aggregate principal amount of New First Lien Notes pursuant to a new indenture (the "**New First Lien Indenture**") on substantially the same terms as the Existing First Lien Indenture but with certain improvements for the Company and other changes to reflect the current debt market, such as: a longer maturity date; the removal of the requirement to maintain a credit rating; the inclusion of an increased basket to permit the New ABL Facility; the inclusion of a payment in kind feature for the first 18 months; and the reduction of the requirement for unanimous noteholder consent from 100% to 66 2/3% to align with the Company's existing second lien notes. In exchange for these improvements, an optional redemption premium has been added with a 10.5% premium on the amount redeemed during 2023 through 2026.
- Concurrently with the issuance of the New First Lien Notes, the Company will enter into a credit agreement for the New ABL Facility (the "**ABL Credit Agreement**"), with Eclipse Business Capital LLC, as agent, which provides for the potential for increased borrowing capacity over the Company's existing revolving facility over a 3 year term, strengthening the company's liquidity position for the next three years.

Additional Information

Additional information, including financial statements and management’s discussion and analysis can be found on the Company’s website or on SEDAR.

Note: All dollar amounts are expressed in Canadian dollars unless otherwise specified.

About Postmedia Network Canada Corp.

Postmedia Network Canada Corp. (TSX:PNC.A, PNC.B) is the holding company that owns Postmedia Network Inc., a Canadian newsmedia company representing more than 130 brands across multiple print, online, and mobile platforms. Award-winning journalists and innovative product development teams bring engaging content to millions of people every week whenever and wherever they want it. This exceptional content, reach and scope offers advertisers and marketers compelling solutions to effectively reach target audiences Our expertise in home delivery and expanding distribution network powers Postmedia Parcel Services. For more information, visit www.postmedia.com, www.postmediasolutions.com and postmediaparcelservices.com.

Forward-Looking Information

This news release may include information that is “forward-looking information” under applicable Canadian securities laws. The Company has tried, where possible, to identify such information and statements by using words such as “believe,” “expect,” “intend,” “estimate,” “anticipate,” “may,” “will,” “could,” “would,” “should” and similar expressions and derivations thereof in connection with any discussion of future events, trends or prospects or future operating or financial performance. Forward-looking statements in this news release include statements with respect to the closing of the Refinancing and the realization of anticipated benefits associated with the Refinancing. By their nature, forward-looking information and statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. These risks and uncertainties include, among others: the possibility that the Refinancing does not close and the possibility that Postmedia is unable to meet its obligations under the New First Lien Indenture or under the New ABL Facility. Additional risks include those risk factors set forth in the section entitled “Risk Factors” contained in our annual management’s discussion and analysis for the years ended August 31, 2023 and 2022. Although the Company bases such information and statements on assumptions believed to be reasonable when made, they are not guarantees of future performance and actual results of operations, financial condition and liquidity, and developments in the industry in which the Company operates, may differ materially from any such information and statements in this press release. Given these risks and uncertainties, undue reliance should not be placed on any forward-looking information or forward-looking statements, which speak only as of the date of such information or statements. Other than as required by law, the Company does not undertake, and specifically declines, any obligation to update such information or statements or to publicly announce the results of any revisions to any such information or statements.

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