

Current report no. 19/2025

Date: 31st October 2025

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

General legal basis:

Art. 17 sec. 1 MAR – inside information

Content:

The Management Board of Arctic Paper S.A. (the "**Company**") informs that on 31st of October 2025 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: BNP Paribas Bank Polska S.A. (the "**Security Agent**"), Santander Bank Polska S.A. and Bank Polska Kasa Opieki S.A. (jointly: the "**Lenders**"), under which the Lenders granted the Company an investment term facility for a total amount of EUR 20,000,000 (twenty million euros) and a revolving facility for a total amount of EUR 60,000,000 (sixty million euros) (the "**Facilities**").

The Facilities Agreement was concluded due to the upcoming repayment date of the current term facility agreement concluded on April 2, 2021, which falls on the day five years after its conclusion.

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 Facilities available to the Company:

- a) An investment term facility for a total amount of EUR 20,000,000 (twenty million euros) (the "**Investment Facility**") and
- b) a revolving facility for a total amount of EUR 60,000,000 (sixty million euros) (the "**Revolving Facility**").

Subject to the relevant terms of the Facilities Agreement, the Investment Facility was made available, among other things, for the purpose of (i) refinancing the term investment facility taken out for the implementation of the project of building a biomass drying and pellet production installation (the "**Project**"), granted under the term and revolving facilities



ARCTIC PAPER

agreement, the conclusion of which was announced by the Company in report No. 12/2021 dated April 2, 2021, and the amendment of which, through the receipt of a term investment facility for the implementation of the Project, was announced by the Company in report No. 19/2023 dated November 8, 2023, and (ii) further financing of the implementation of the Project.

Subject to the applicable terms of the Facilities Agreement, amounts raised under the Revolving Facility may be used, among other things, (i) to refinance the revolving facility granted under the term and revolving facility agreement, the conclusion of which was announced by the Company in report No. 12/2021 dated April 2, 2021, and report No. 19/2023 dated November 8, 2023, and (ii) for general corporate purposes and to cover the working capital of the Company and some of its subsidiaries (including the granting of intra-group loans in any form).

The disbursement of funds under the Facilities Agreement will be subject to the Company and the Guarantors meeting the standard conditions precedent specified in the Facilities Agreement.

The remaining term loan facility granted to the Company under the term and revolving facility agreement, the conclusion of which was announced by the Company in report No. 12/2021 of April 2, 2021 and report No. 19/2023 of November 8, 2023, will be repaid from the Company's own funds before financing is made available under the Facilities Agreement.

Pursuant to the terms of the Facilities Agreement, the interest rate on the Facilities is variable, determined based on the EURIBOR base rate and an agreed margin for the Investment Facility and the Revolving Facility.

Pursuant to the Facilities Agreement, the respective Facilities will be repaid on the following dates:

(i) in the case of the Investment Facility – on the date falling five years after the date of the Facilities Agreement; and

(ii) in the case of the Revolving Facility – on the date falling three years after the date of the Facilities Agreement, with the option to extend it for two additional one-year periods or one two-year period (provided that the agreed extension conditions are met).

The Investment Facility is repayable according to the following terms: 67.5 percent of the disbursed amount of the Investment Facility is repayable in equal semi-annual installments starting in May 2026, and the remaining amount of the Investment Facility is repayable on its final repayment date.

The Revolving Facility is repayable on its final repayment date

2. Security interest



ARCTIC PAPER

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 the Company and Arctic Paper Kostrzyn S.A., registered pledge over assets of Arctic Paper Kostrzyn S.A. and security assignment agreements to secure rights under property insurance policies.

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.