

Lecta S.A.
société anonyme
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5 December 2019

Update on Recapitalisation - Issuance of Practice Statement Letter, execution of Supplemental Indentures and entry into commitment documents in relation to a new Super Senior Facility

On 1 November 2019 Lecta S.A. (“**Lecta**”, and together with its subsidiaries, the “**Group**”) announced that it had entered into a lock-up agreement (the “**Lock-up Agreement**”) with certain holders of its 2022 and 2023 Senior Secured Notes (together, the “**Existing Notes**”, and holders thereof the “**Noteholders**”) and certain lenders under its revolving credit facility (“**RCF Lenders**”), pursuant to which those parties agree to support the implementation of a comprehensive recapitalisation transaction, initially announced on 24 September 2019 (the “**Recapitalisation**”).

Launch of the Scheme

On 27 November 2019 Lecta announced that it had received 83% Noteholder approval to the Recapitalisation and would move to launch a scheme of arrangement (the “**Scheme**”) once certain conditions were satisfied. Lecta is pleased to announce that it has now received over 92% Noteholder consent to the Recapitalisation. In addition, Lecta is pleased to announce that such conditions are now satisfied and it has today launched the Scheme via the issuance of a Practice Statement Letter (the “**PSL**”) which will enable the Noteholders to consider the issues that will be put before the Court at the convening hearing at a date to be confirmed but which is expected to be on or about 19 December 2019. A copy of the PSL is available at www.lucid-is.com/lecta, and via Euroclear Bank S.A./N.V. and/or Clearstream Bank S.A. and the Luxembourg Stock Exchange.

New Super Senior Facility

In connection with the Recapitalisation, Lecta is pleased to announce it has entered into a commitment letter with NatWest Markets Plc to provide €115 million super senior facilities.

The €115 million facilities consist of a super senior €60 million term loan and a super senior €55 million revolving credit facility, and will be available for an initial period of two years from initial utilisation, with an option to renew for one additional year at the Group’s election subject to certain conditions. The following key terms are further confirmed:

- (i) the facilities shall have a margin of 4.75% per annum,
- (ii) the facilities shall be subject to minimum liquidity and minimum EBITDA financial covenant testing;
- (iii) prepayment protections are included for the benefit of the lenders; and
- (iv) the facilities shall be secured by first ranking security, such security to also secure the new senior secured notes to be issued pursuant to the Recapitalisation.

Supplemental Indentures

As further described in the PSL, Lecta Paper UK Limited has acceded to the indentures in respect of the Existing Notes as co-issuer of the Existing Notes whereby it assumes a primary obligation alongside Lecta for the Existing Notes. In addition, the governing law of the Existing Notes and the underlying

indentures has been changed to English law and the jurisdiction clauses of the indentures have been changed from the non-exclusive jurisdiction of the Federal Court in the Borough of Manhattan, The City of New York, New York, and any appellate court thereof, to the exclusive jurisdiction of the courts of England and Wales for proceedings instituted by Lecta, Lecta Paper UK Limited or any guarantor in relation to any holder or the trustee of the Existing Notes on behalf of the holders, and to the courts of England and Wales on a non-exclusive basis for all other proceedings arising out of or in connection with the Existing Notes, the indentures and the guarantees thereof. Copies of the relevant documentation relating to this change including supplemental indentures can be found on www.lucid-is.com/lecta.

The Group will continue working with its financial stakeholders to implement the Recapitalisation and expects to complete the Recapitalisation in Q1 2020. Further announcements and updates in relation to the Recapitalisation will be provided in due course.

Questions about the Recapitalisation and details of how to accede to the Lock-up Agreement should be directed to Lucid Issuer Services Limited (“**Lucid**”) at the telephone numbers and addresses listed below. All documentation relating to Recapitalisation, together with any updates, are available on the dedicated website: <https://www.lucid-is.com/lecta/>.

For additional information, Noteholders are encouraged to get in touch with the Ad Hoc Group via their financial advisor Houlihan Lokey (StarlingHL@hl.com).

Calculation Agent Contact Details

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Attention: Oliver Slyfield and Victor Parzyjagla