



### **Current report No. 16/2023**

**Date:** 24 May 2023

**Subject:** Signing by People Can Fly Canada Inc. of the credit facilities agreement and related security documents

**Legal basis:** Article 17 Section 1 of the MAR

### **Report content:**

The Management Board of PCF Group S.A. with its registered office in Warsaw (the “**Company**”) hereby informs that on 24 May 2023 the Company’s subsidiary, People Can Fly Canada Inc. with its registered office in Montreal, Canada (“**PCF Canada**”) as a borrower signed with Bank of Montreal as the lender the Offer of Financing (the “**Loan Agreement**”) regarding granting PCF Canada two demand revolving facilities: (1) a credit facility in the maximum amount of 1,200,000 Canadian dollars to finance working capital and general corporate requirements of PCF Canada and (2) a credit facility in the maximum amount of 8,000,000 Canadian dollars to finance interactive tax credits earned in Canada (jointly “**Credit Facilities**”).

The availability of the Credit Facilities is subject to the fulfillment of standard conditions precedent in transactions of this type, i.e. providing the Bank with specific documents and certificates, excerpts from the registers, legal opinions and establishing security for the Bank’s receivables under the Loan Agreement.

Securities will be established in accordance with Canadian law and will include, among others: (1) a guarantee by the parent company, (2) a first-ranking general security agreement on the entire movable property of PCF Canada, (3) first-rank hypothec in the amount of 11,040,000 Canadian dollars on the entire movable property of PCF Canada, (4) subordination of the repayment of corporate loans granted by the parent company, (5) denote the Bank as an additional insured under the insurance policies held by PCF Canada.

On 24 May 2023, the Company has established for the benefit of the Bank of an unsecured guarantee limited to CAD 9,200,000 Canadian dollars to secure Bank’s receivables from PCF Canada under the Loan Agreement and the established security.

Both Credit Facilities shall be repayable on demand and shall be renewed on an annual basis, on terms agreed by the parties.

The interest rate for each interest period is the annual interest rate, which is the sum of the agreed margin and the base rate (Canadian Prime Rate). The set-up fee for making the Credit Facilities available was determined on market terms typical for this type of financial instruments.

PCF Canada has certain information obligations towards the Bank concerning, among others, providing information on financial statements and other material events. The Loan Agreement also provides for a standard scope of covenants, e.g. restrictions on changes in the core business or the conditions for incurring new financial debt. In the event of breaches of the Loan Agreement, the Bank is entitled to the standard scope of remedies, including, among others, a right to terminate the Loan Agreement or withhold financing.