klöckner pentaplast

1. **What did kp announce?**
   - kp is taking steps to position our company for long-term success as we continue shaping the future of sustainable packaging and film solutions.
   - We have entered into a Restructuring Support Agreement with a significant majority of our financial partners on the terms of a comprehensive financial restructuring plan.
   - The restructuring plan will enhance kp's financial position by substantially reducing our debt, increasing our cash, and strengthening our balance sheet.
   - As part of this plan, our financial partners will become kp's new owners. Their investment in and commitment to kp demonstrates their confidence in our business and the opportunities ahead.
   - To implement the restructuring plan, kp and certain of our subsidiaries and affiliates initiated a voluntary US Chapter 11 process.
   - Importantly, during this process, our global operations are continuing without interruption, and it will not impact our customers or how we work with them.

2. **What is Chapter 11?**
   - Chapter 11 is a well-established US legal process that companies use to restructure their finances while they continue to operate as normal.
   - This particular legal process is unique to the US and it is **not** a liquidation or insolvency proceeding.
   - It is a legal tool that many companies, including many non-US companies, use to position themselves for success in the future.
   - It also does **not** mean that kp is going out of business. We are a key player in the packaging sector and that is not changing.

3. **What is "prepackaged" Chapter 11 financial restructuring?**
   - A "prepackaged" Chapter 11 financial restructuring means that a company has reached an agreement, like the RSA, with a group of its financial partners on the terms of a restructuring plan prior to filing for Chapter 11 and has the necessary level of support to confirm such a restructuring plan.
   - This typically enables a company to move through the financial restructuring process on an expedited basis.
   - We appreciate the significant support of our financial partners and their confidence in our vision for the future and opportunities ahead.

4. **What's the difference between Chapter 11 in the United States and financial restructurings in other countries? Why did the Company file for Chapter 11 in the US and not in a different jurisdiction?**
   - Chapter 11 is a well-established legal process in the United States that allows companies to restructure their finances through a court-supervised proceeding while continuing to operate their businesses.
   - This specific process is unique to the US and it is **not** a liquidation or insolvency.
   - Importantly, the Chapter 11 process allows companies to access specialised financing (DIP financing) to fund operating needs and satisfy business obligations.
   - The goal of filing for Chapter 11 is for a company to emerge from the process as a more financially stable entity. By restructuring its existing debt and obligations, the company can move forward as a stronger organisation.

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5. **What is an RSA / Restructuring Support Agreement?**
   - A Restructuring Support Agreement, or "RSA," is an agreement between a company and a group of its financial stakeholders that establishes the goals, requirements, and key terms of a financial restructuring plan, and outlines the support of those partners for the company's restructuring plan.
   - RSAs typically reduce the cost and length of the court-supervised financial restructuring process while minimising disruption to the company's operations and its stakeholders.

6. **Why did kp file for US Chapter 11? Why now?**
   - We are taking steps to position our company for long-term success as we continue shaping the future of sustainable packaging and film solutions.
   - The agreement we have entered into with our financial partners will enhance kp's financial position by substantially reducing our debt, increasing our cash, and strengthening our balance sheet.
   - The court supervised process allows us to gain access to new financing to support our global operations without interruption so that our customers can continue to rely on kp for innovative and sustainable packaging, films and services.
   - With a stronger financial foundation and new owners, we will emerge from this process better positioned than ever to continue our journey as a leading sustainable packaging solutions company.

7. **Will this court-supervised process affect kp's day-to-day operations?**
   - No. Our global operations are continuing without interruption.
   - Our customers can continue to rely on kp for innovative and sustainable packaging, films, and services.

8. **Does this mean kp is shutting down? Is this a liquidation?**
   - No. Chapter 11 is a well-established US legal process that companies use to restructure their finances while they continue to operate as normal.
   - We are a key player in the packaging sector, and that is not changing.
   - Our operations remain fundamentally strong and profitable, and our customers can continue to rely on kp for innovative and sustainable packaging, films, and services.

9. **Does kp have sufficient liquidity to meet its business obligations during the court-supervised process?**
   - Yes. To support our operations and ensure that we satisfy our business obligations during this process, our financial partners have agreed to provide kp with new financing.
   - Upon Court approval, this financing, together with cash generated from ongoing operations, will provide ample liquidity to support the business during the financial restructuring process.

10. **What geographies are included and not included in the US Chapter 11?**
    - kp's entities in France and certain kp entities in Germany, Luxemburg, Netherlands, Spain, UK and USA are included in the US Chapter 11 process.
    - kp's entities in the following countries are not included in the US Chapter 11 process: Argentina, Belarus, Brazil, Canada, China, Czech Republic, Egypt, India, Italy, Jersey, Mexico, Poland, Portugal, Russia, Switzerland, Thailand, Turkey, and UAE.
    - Additionally, certain kp entities in Germany, Luxembourg, Netherlands, Spain, UK and USA are not included in this process.

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11. What does this announcement mean for vendors, suppliers, and other business partners?

- Under the terms of the agreement with our financial partners, we fully expect to pay vendors, suppliers and business partners in full for goods received and services provided **before and after** the filing.
- To support our operations and ensure that we satisfy our business obligations during this process, our financial partners have also agreed to provide kp with new financing.
- Upon Court approval, this financing, together with cash generated from ongoing operations, will provide ample liquidity to support the business during the financial restructuring process.
- Our global operations are continuing without interruption, and we are continuing to work closely with you to ensure our mutual success.
- We appreciate your continued partnership and support.

12. Will kp continue to produce products?

- Yes. Our global operations are continuing without interruption.
- There are no changes to how we work with you and remain committed to meeting our obligations to you.

13. When does kp intend to complete the financial restructuring process?

- We intend to complete the financial restructuring process as quickly and efficiently as possible.

14. Who can I contact if I have additional questions? Where can I find more information?

- If you have further questions, please reach out to your regular point of contact.
- Additional information regarding kp's US court-supervised process is available at advancingkp.com.
- Court filings and other information related to the proceedings are available on a separate website administered by the Company's claims agent, Stretto, at https://cases.stretto.com/Klockner; by calling Stretto representatives toll-free at (833) 212-0915, or +1 (949) 273-2457 for calls originating outside of the US or Canada; or by emailing KPInquiries@Stretto.com.