



IIB becomes a major investor in the Vajda-Papír Ltd. debut green bond issue

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International Investment Bank became a major investor of a corporate green bond issue placed by Vajda-Papír Ltd. on the Budapest Stock Exchange.

Founded in 1999, the family-owned, mid-cap, FMCG Company with a revenue over EUR 70 mln, Vajda-Papír is the largest household hygiene paper production company in Hungary, with a total output representing around 55% of domestic production.

The wide range of products of the company enjoys high demand domestically and is successfully distributed to more than 20 countries, mainly Central and Eastern Europe and the Nordics. Vajda-Papír profitably operates 4 production sites: three in Hungary and the fourth in Norway.

The total volume of bonds issued amounted to HUF 9,9 bn (over EUR 24 mln in equivalent) with the maturity of 10 years, and a coupon annual rate set at 3.5%. Yield to maturity was fixed at 2.83% p.a. The Issuer will use the proceeds from the bond to finance its raw material production expansion (Phase II), namely base paper. Annual growth of production volume by 50% will fully cover current input needs for this strategic material.

The Vajda-Papír green bond placement was arranged within the framework of the "Bond Funding for Growth Scheme" implemented by the National Bank of Hungary aimed to attract liquidity to the national capital market.

"IIB participation in this bond issue fully complies with our strategic aim to proactively enhance the support of national businesses of our countries; in this case - one of the top players in the Hungarian SME sector" noted Georgy Potapov, Deputy Chairperson of the Management Board in charge of Lending and Investment, "It is important to note the fact that investing in Vajda-Papír growth, a company supplying masks, medical protective suits and other gear to the national and European markets, our Bank makes a certain contribution to the fight against COVID-19 pandemic. And the green character of this deal helps increase the total volume of ESG investments in our portfolio".

"We are glad that the IIB is participating in this milestone bond transaction, validating on behalf of the international financial community that our past results, current operations are deemed worthwhile and the company's future expansion plans are credible. We also count on the Bank in engaging to support our further capital expenditure programs, and clearly evaluate the current deal as the beginning of a true partnership with the institution", Mr. Attila Vajda, the General Manager of the Issuer, commented.

Back in 2020 IIB also became an anchor investor in the debut corporate green bond issue in the Hungarian capital market, successfully placed by CPI Hungary Investments Kft on the

Budapest Stock Exchange.