



PRESS RELEASE

Kostrzyn nad Odra / Gothenburg, May 14th, 2024

Arctic Paper S.A., Q1 2024:

Positive signals in uncertain times

- Q1 consolidated sales revenue was PLN 965,4mn (EUR¹ 222,8mn).
- EBITDA Q1 was PLN 112,0mn (EUR¹ 25,8mn).
- EBIT Q1 was PLN 83,7mn (EUR¹ 19,3mn) and net profit PLN 81,6mn (EUR¹ 18,8mn).
- Recovery within the paper segment compared to the consecutive quarter.
- Continued development of the energy segment with expanding PV projects.
- After the period: contract signed regarding energy storage at the Swedish mills.
- Given decision at AGM on May 29, a 1,0 PLN per share dividend will be paid. Record date is June 12, with payment on June 18 reaching all shareholders before the end of June.

“The first quarter came in with lower sales and profit than for the comparison quarter. At the same time, the consolidated result was stronger than for the consecutive quarter.”

Michał Jarczyński, CEO (see letter from the CEO on page 2)

Selected financial results – Arctic Paper Group³ and Arctic Paper (paper segment)

PLN (million)	Q1 2024	Q1 2023	Change	Q4 2023
Sales revenue, Arctic Paper Group	965,4	1 032,2	-66,8	825,9
Sales revenue, Arctic Paper (paper segment)	701,0	722,3	-21,2	581,2
EBITDA, Arctic Paper Group	112,0	185,5	-73,5	96,3
EBITDA, Arctic Paper (paper segment)	109,0	113,8	-4,8	119,8
EBIT, Arctic Paper Group	83,7	155,6	-72,0	67,1
EBIT, Arctic Paper (paper segment)	89,7	93,4	-3,7	97,3
Net profit, Arctic Paper Group	81,6	131,7	-50,1	35,6
Net profit, Arctic Paper (paper segment)	97,8	82,8	+15,0	60,8
Net profit, PLN per share ²	1.19	1.56	-0.37	0,69
Net debt	-310,0	-258,4	-51,6	-347,5

Arctic Paper Group consists of Arctic Paper S.A. (parent company), Arctic Paper mills (paper segment) and pulp producer Rottneros AB, in which Arctic Paper S.A. holds a 51 percent stake.

¹Arctic Paper S.A. reports in PLN. In the English press release, the amounts above were converted to EUR at the average rates for the quarter. The complete quarterly report is available at www.arcticpapergroup.com

² Net profit per share: net profit for the paper segment plus 51% of the net profit for Rottneros divided by the number of shares.

³ Due to the consolidation rules, data regarding the pulp segment presented in the consolidated report of the Arctic Paper group may differ from the data presented in the Rottneros report.

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“Progress in the energy segment continues. At the end of May, a 17 MW expansion of our PV farm in Kostrzyn will be commissioned and we expect to receive permission to install an additional 9 MW in 2025.”

Michał Jarczyński, CEO of Arctic Paper S.A.

In line with results from recent quarters, we still see a mixed picture due to uncertainty affecting the general economy. The first quarter of 2024 came in with lower sales and profit than for the comparison quarter. At the same time, the consolidated result for Q1, 2024 was stronger than for the consecutive quarter. We clearly see the benefits of combining pulp and paper as the two segments balance each other through economic cycles. For the first quarter of 2024, the Group's revenue amounted to PLN 965.4 million (1,032.2) and EBITDA to PLN 112.0 million (185.5). The operating margin was 11.6 percent (18.0).

For the paper segment, the first quarter of the year is normally one of the best and we saw an increase in demand compared to the fourth quarter last year. Paper sales revenue reached PLN 701.0 million (722.3) with an EBITDA of 109,0 million (113.8) and an EBITDA margin of 15.5 percent (15.8). The capacity usage continued to rise and reached 86 percent (71). Although our focus is still on optimizing production in terms of profitability rather than volume, this is a healthier level for the business in a long-term perspective.

For the pulp segment (Rottneros), net sales fell to SEK 688 million (744) as production-related challenges affected one of the two mills. Rottneros will increase the rate of continuing maintenance investments to ensure high and stable pulp production. EBITDA dropped to SEK 35 million (178) mainly due to lower pulp prices than for the comparable quarter, but the pulp market continues to strengthen with gradual price increases. Deliveries for the pulp segment increased to 89,800 tonnes (87,200).

For the packaging segment, the investment in a new production unit for molded fiber trays in Kostrzyn is progressing with an expected start of production in the third quarter of 2024.

Progress in the energy segment continues. At the end of May, a 17 MW expansion of our PV farm in Kostrzyn will be commissioned and we expect to receive permission to install an additional 9 MW in 2025. In addition, we are currently evaluating potential solar acquisitions. After the period, we signed an agreement to house battery storage systems in our premises in Munkedal and in Grycksbo. This contract is expected to contribute annually to EBITDA in the range of SEK 10-30 million and will also increase our competences with plan to provide system services for the grid in Poland. The investment in upgrading and expanding the biofuel boiler in Grycksbo is in progress.

Looking to the near future, the market outlook remains uncertain, and we expect 2024 to be a challenging year. As the economy recovers, the balance between paper and pulp will slowly shift in favour of pulp. With the Group's solid finances as a strong foundation, we continue to diversify our business in line with the 4P strategy with new investments in packaging and power, while maintaining and strengthening our business position in paper and pulp.

Michał Jarczyński, CEO of Arctic Paper S.A.

Financial calendar 2024: Q2 2024: August 8th, Q3 2024: November 7th

Arctic Paper Group is a European company and a leading producer of high-quality graphical fine paper, bio-based packaging solutions, high-quality wood pulp, and energy, increasingly of non-fossil origin. The company is present with its own sales offices in Europe. Arctic Paper S.A. is listed on the Warsaw Stock Exchange and NASDAQ in Stockholm. The Group is the main owner of the listed Swedish pulp producer Rottneros AB. For more information visit, arcticpapergroup.com