

Current report number 2/2022

Date: February 10th 2022

Subject: Joint investment of Arctic Paper and Rottneros - the next stage of implementation of the provisions of the letter of intent

General legal basis:

Art. 17 sec. 1 of MAR – inside information

Content:

In reference to the current report no. 29/2021 dated October 22nd 2021, the Management Board of Arctic Paper S.A. ("Company", "Issuer") informs that on February 10th, 2022, the Supervisory Board of the Company has expressed its positive opinion on the actions taken by the Company to conclude a joint venture agreement with Rottneros AB (the "Agreement"), the purpose of which will be to build a moulded cellulose fiber packaging factory.

At the same time, the Supervisory Board of the Company authorized the Management Board to define all terms and conditions of the Agreement.

The start-up of the new factory in Kostrzyn nad Odrą in Poland is planned for the end of 2023. The investment is expected to amount to EUR 12-15 million (approx. PLN 55-70 million), including the Issuer's share of 50%. The production capacity of the new factory is estimated at 60-80 million trays per year. According to the Issuer's estimates, the investment will generate an annual revenue of 9-11 MEUR (approx. MPLN 40-50).

The new investment will benefit from long-term experience of Rottneros Packaging AB in the production of cellulose packaging and the advantages of a favourable location, ensuring easy access to the most important markets.

The investment is an important element of the implementation of the Arctic Paper 4P strategy, which includes broadening the Arctic Paper offer with new, rapidly developing segments (packaging production, production and energy trading).

The Issuer will inform about the method of financing the investment and the conclusion of the Agreement and its terms in separate current reports.

Specific legal basis:

Art. 17 sec. 1 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive



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2003/6/EC of the European Parliament and of the Council and Commission Directives
2003/124/EC, 2003/125/EC and 2004/72/EC.