

Current report no. 2/2024

Dated: February 15th 2024

Subject: Preliminary financial results of Arctic Paper S.A. and Arctic Paper Group for the Q4 of 2023 and 2023 and recommendation on dividend payment

General legal basis:

Art. 17 sec. 1 of MAR – Inside information

Content:

Management Board of Arctic Paper S.A. ("Company", "Issuer") in reference with obtaining today an information about the value of preliminary selected financial data, herewith announces selected preliminary financial results of the Arctic Paper S.A. Group (the "Group") and the Issuer for the Q4 of 2023 and annual 2023:

Financial Results of Q4 2023:

Arctic Paper S.A. Group:

- Consolidated estimated sales revenues 825.9 mln PLN,
- Consolidated estimated net profit 35.6 mln PLN,

Arctic Paper S.A.

- Standalone estimated sales revenues 4.1 mln PLN,
- Standalone estimated net profit 79.2 mln PLN,

Financial Results of 2023:

Arctic Paper S.A. Group:

- Consolidated estimated sales revenues 3,549.2 mln PLN,
- Consolidated estimated net profit 272.4 mln PLN,

Arctic Paper S.A.

- Standalone estimated sales revenues 196.5 mln PLN,
- Standalone estimated net profit 251.2 mln PLN.

Detailed selected preliminary consolidated results of the Arctic Paper S.A. Group are presented in the attachment to this report.



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The estimated results achieved by the Group and the Company in 2023, which was characterized by difficult market conditions, are very good. The high level of estimated consolidated profit results from margin maximization and achieved cost efficiencies, including the Group's balanced energy and raw materials policy. It is worth emphasizing the strong balance sheet, which creates opportunities to continue implementing the 4P strategy.

On the other hand, a significant impact on the standalone net result had the reversal of the impairment loss on shares in Arctic Paper Investment AB (the company being the sole shareholder of Arctic Paper Grycksbo AB) of the amount of PLN 80,2 million.

The amount of impairment allowance in the consolidated financial statement has not changed due to the differences in the accounting treatment of the value of assets of this entity on consolidation level in relation to their book value on standalone level.

The above financial results are estimates obtained during the preparation of the financial statements for 2023. The final standalone and consolidated results will be published in the annual report and may, to a limited extent, differ from the amounts presented above.

Publication of the Company's standalone annual report of 2023 and consolidated annual report of the Arctic Paper S.A. Group of 2023, together with the auditor's opinions, will take place on April 4th, 2024.

Taking into account the preliminary financial results of the Company and the Arctic Paper S.A. Group of 2024, the Management Board of the Company decided to recommend to the Annual General Meeting of the Company the payment of dividend from the Company's net profit of 2023 in the amount of PLN 1.00 gross per share.

The final recommendation regarding the distribution of the net profit of 2022 will be presented by the Management Board to the Annual General Meeting after the publication of the Company's annual report of 2023, which will take place on March April 4th, 2024. The Management Board's recommendation will be a subject of the opinion of the Company's Supervisory Board.

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

Attachment no 1 to the Current report no. 2/2024 dated February 15th 2024

Table 1: Preliminary selected items of consolidated statement of profit and loss

<i>PLN '000</i>	YTD 2023	YTD 2022
Sales revenues	3 549 153	4 894 276
EBIT	357 068	842 979
EBITDA	475 304	973 973
Net profit/ (loss)	272 388	756 822
<i>Net profit / (loss) for the reporting period attributable to the shareholders of the Parent Entity</i>	247 132	631 001

Table 2: Preliminary selected consolidated balance sheet items

<i>PLN '000</i>	31.12.2023	31.12.2022
Fixed assets	1 292 261	1 371 867
Inventories	444 930	601 205
Receivables	416 268	504 024
Other current assets	68 968	295 459
Cash and cash equivalents	500 449	481 930
Total assets	2 722 877	3 254 485
Equity	1 801 508	2 052 182
Short-term liabilities	641 617	806 906
Long-term liabilities	279 752	395 397
Total equity and liabilities	2 722 877	3 254 485

Table 3: Preliminary selected items of the consolidated cash flow statements

<i>PLN '000</i>	YTD 2023	YTD 2022
Cash flows from operating activities	473 262	607 383
Cash flows from investing activities	(146 719)	(155 879)
Cash flows from financing activities	(290 993)	(124 588)
Total cash flows	35 550	326 916