

Current report number 3/2024

Dated: 11th March 2024

Subject: Receiving a decision on support by Issuer's subsidiary

General legal basis:

Art. 17 sec. 1 of MAR – inside information

Management Board of Arctic Paper S.A. ("Company", "Issuer") informs that on 11th of March 2024, it received information that the Ministry of Development and Technology granted the subsidiary Arctic Paper Kostrzyn S.A. a decision on public aid for development investments. These investments will aim at modernizing paper machines, improving the efficiency and energy consumption of the paper production process and building infrastructure.

The decision to provide support was granted on the following conditions:

1. If used tax exemption for eligible costs, the maximum amount of eligible investment costs will be PLN 133.9 million zlotys;
2. The maximum nominal value of the aid in the form of tax exemptions will amount to PLN 53.4 million zlotys, (40% of the expenditure incurred) and will depend on actual investment expenditures. Arctic Paper Kostrzyn SA will be entitled to benefit from aid after the investment is completed for a fixed period of 14 years from the decision's issuance date;
3. New investments will be implemented in the period from 1st of April 2024 until 31st March 2027.

Moreover, Arctic Paper Kostrzyn S.A. is obliged to meet certain quality and employment criteria.

The planned investments in the Kostrzyn factory are consistent with the goals of the 4P Strategy and will bring the Arctic Paper Group closer to implementing the 4P Strategy in terms of increasing production efficiency and environmental neutrality of processes.

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.