



ARCTIC PAPER GROUP

Consolidated quarterly report
for Q1 2026

Translator's Explanatory Note: the following document is a free translation of the report of the above-mentioned Company. In the event of any discrepancy in interpreting the terminology in Polish version is binding.

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Introduction

Information on the report

This Consolidated Quarterly Report for Q1 2026 was prepared in accordance with the Regulation of the Minister of Finance of 29 March 2018 on the current and periodic information provided by securities issuers and on the conditions for recognizing information required by the law of a non-member state as equivalent information (Journal of Laws of 2018, item 757) and a part of the abbreviated consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), in particular in accordance with International Accounting Standard No. 34.

The Abbreviated Consolidated Financial Statements do not comprise all information and disclosures required in the Annual Consolidated Financial Statements which are subject to mandatory audit and therefore they should be read in conjunction with the Consolidated Financial Statements of the Group for the year ended 31 December 2025.

Certain selected information contained in this report comes from the Arctic Paper Group management accounting system and statistics systems.

This Consolidated Quarterly Report presents data in PLN, and all figures, unless otherwise indicated, are given in thousand PLN.

Definitions and abbreviations

Unless the context requires otherwise, the following definitions and abbreviations are used in the whole document:

Arctic Paper, Company, Issuer, Parent Company, AP	Arctic Paper Spółka Akcyjna with its registered office in Kostrzyn nad Odrą, Poland
Capital Group, Group, Arctic Paper Group, AP Group	Capital Group comprised of Arctic Paper Spółka Akcyjna and its subsidiaries as well as joint ventures
Paper mills	Arctic Paper Kostrzyn, Arctic Paper Munkedals, Arctic Paper Grycksbo
Sales Offices	Arctic Paper Papierhandels GmbH with its registered office in Vienna, Austria
	Arctic Paper Benelux SA, with its registered office in Haverlee, Belgium
	Arctic Paper Danmark A/S with its registered office in Greve, Denmark
	Arctic Paper France SA with its registered office in Paris, France
	Arctic Paper Deutschland GmbH with its registered office in Hamburg, Germany
	Arctic Paper Italia Srl with its registered office in Milan, Italy
	Arctic Paper Baltic States SIA with its registered office in Riga, Latvia

	Arctic Paper Norge AS with its registered office in Oslo, Norway
	Arctic Paper Polska Sp. z o.o. with its registered office in Warsaw, Poland
	Arctic Paper España SL with its registered office in Barcelona, Spain
	Arctic Paper Finance AB with its registered office in Munkedal, Sweden
	Arctic Paper Schweiz AG with its registered office in Derendingen, Switzerland
	Arctic Paper UK Ltd with its registered office in London, UK
Rottneros Group, Rottneros AB Group	Rottneros AB with its registered office in Söderhamn, Sweden; Rottneros Bruk AB with its registered office in Rottneros, Sweden; Utansjo Bruk AB with its registered office in Söderhamn, Sweden, Vallviks Bruk AB with its registered office in Vallvik, Sweden; Rottneros Packaging AB with its registered office in Sunne, Sweden; SIA Rottneros Baltic with its registered office in Kuldiga, Latvia; Nykvist Skogs AB with its registered office in Gräsmark, Sweden
Pulp mills	Rottneros Bruk AB with its registered office in Rottneros, Sweden; Vallviks Bruk AB with its registered office in Vallvik, Sweden
Thomas Onstad	The Issuer's core shareholder, holding directly and indirectly over 50% of shares in Arctic Paper S.A.; a member of the Issuer's Supervisory Board
NBSK	Northern Bleached Softwood Kraft
BHKP	Bleached Hardwood Kraft Pulp

Definitions of selected financial concepts and indicators

Sales profit margin	Ratio of gross profit/(loss) on sales to sales revenue from continuing operations
EBIT	Profit on continuing operating activity (Earnings Before Interest and Taxes)
EBIT profitability, operating profitability, operating profit margin	Ratio of operating profit/(loss) to sales revenue from continuing operations
EBITDA	Operating profit from continuing operations plus depreciation and amortisation and impairment allowances (Earnings Before Interest, Taxes, Depreciation and Amortisation)
EBITDA profitability, EBITDA margin	Ratio of operating profit plus depreciation and amortisation and impairment allowances to sales income from continuing operations
Gross profit margin	Ratio of gross profit/(loss) to sales revenue from continuing operations

Sales profitability ratio, net profit margin	Ratio of net profit/(loss) to sales revenue
Return on equity, ROE	Ratio of net profit/(loss) to equity income
Return on assets, ROA	Ratio of net profit/(loss) to total assets
EPS	Earnings Per Share, ratio of net profit to the weighted average number of shares
BVPS	Book Value Per Share, Ratio of book value of equity to the number of shares
Debt-to-equity ratio	Ratio of total liabilities to equity
Equity to non-current assets ratio	Ratio of equity to non-current assets
Interest-bearing debt-to-equity ratio	Ratio of interest-bearing debt and other financial liabilities to equity
Net debt-to-EBITDA ratio	Ratio of interest-bearing debt minus cash to EBITDA from continuing operations
EBITDA-to-interest coverage ratio	Ratio of EBITDA to interest expense from continuing operations
Current ratio	Ratio of current assets to current liabilities
Quick ratio	Ratio of current assets minus inventory and short-term accruals and deferred income to current liabilities
Cash solvency ratio	Ratio of total cash and cash equivalents to current liabilities
DSI	Days Sales of Inventory, ratio of inventory to cost of sales multiplied by the number of days in the period
DSO	Days Sales Outstanding, ratio of trade receivables to sales income from continuing operations multiplied by the number of days in the period
DPO	Days Payable Outstanding, Ratio of trade payables to cost of sales from continuing operations multiplied by the number of days in the period
Operating cycle	DSI + DSO
Cash conversion cycle	Operating cycle – DPO

Forward looking statements

The information contained in this report which does not relate to historical facts relates to forward looking statements. Such statements may, in particular, concern the Group's strategy, business development, market projections, planned investment outlays, and future revenue. Such statements may be identified by the use of statements pertaining to the future such as, e.g., "believe", "think", "expect", "may", "will", "should", "is expected", "is assumed", and any negations and grammatical forms of these expressions or similar terms. The statements contained in this report concerning matters which are not historical facts should be treated only as projections subject to risk and uncertainty. Forward-looking statements are inevitably based on certain estimates and assumptions which, although our management finds them rational, are naturally subject to known and unknown risks and uncertainties and other factors that could cause the actual results to differ materially from the historical results or the projections. For this reason, we cannot assure that any of the events provided for in the forward-looking statements will occur or, if they occur, about their impact on the Group's operating activity or financial situation. When evaluating the information presented in this report, one should not rely on such forward-looking statements, which are stated only as at the date they are expressed. Unless legal regulations contain detailed requirements in this respect, the Group shall not be obliged to update or verify those forward-looking statements in order to provide for new developments or circumstances. Furthermore, the Group is not obliged to verify or to confirm the analysts' expectations or estimates, except for those required by law.



**Additional information
to
the consolidated report
for Q1 2026**

Description of the business of the Arctic Paper Group

General information

The Arctic Paper Group is a paper and pulp producer. We offer voluminous book paper and a wide range of products in this segment, as well as high-grade graphic paper. The Group produces numerous types of uncoated and coated wood-free paper as well as wood uncoated paper for printing houses, paper distributors, book and magazine publishing houses and the advertising industry. In connection with acquisition of the Rottneros Group in December 2012, the Group's assortment was expanded with the production of pulp. As at 31 March 2026, the Arctic Paper Group employs almost 1,500 people in its paper mills, companies involved in sale of paper and in pulp producing companies, procurement office and a company producing food packaging. Our three Paper Mills are located in Poland and Sweden, and have total production capacity of over 630,000 tonnes of paper per year. Our two Pulp Mills located in Sweden have aggregated production capacities of over 400,000 tonnes of pulp annually. As at 31 March 2026, the Group had 13 Sales Offices ensuring access to all European markets, including Central and Eastern Europe. Our consolidated sales revenue for Q1 2026 amounted to PLN 814 million.

Arctic Paper S.A. is a holding company set up in April 2008. The Parent Company is entered in the register of entrepreneurs of the National Court Register maintained by the District Court in Zielona Góra, 8th Commercial Division of the National Court Register, under KRS number 0000306944. The Parent Company holds statistical number REGON 080262255. The Company has a foreign branch in Göteborg, Sweden.

The principal business of the Arctic Paper Group is production and sales of paper and pulp. Additional activities of the Group, partly subordinated to the production of paper and pulp, include power generation and transmission, heat generation and distribution, packaging production, logistics services and the distribution of paper and pulp.

Arctic Paper Group's product range includes uncoated and coated wood-free paper, uncoated wood-free paper, sulphate pulp and mechanical fibre pulp.

A detailed description of the Group's business, production plants, business and products can be found in the consolidated annual report for 2025.

Capital Group structure

The Arctic Paper Group comprises Arctic Paper S.A., as the Parent Company, and its subsidiaries, as well as joint ventures. Since 23 October 2009, Arctic Paper S.A. has been listed on the primary market of Giełda Papierów Wartościowych w Warszawie S.A. and since 20 December 2012 in the NASDAQ stock exchange in Stockholm. The Group operates through its Paper Mills and Pulp Mills and its subsidiary producing packaging as well as its sales Offices and Procurement Offices. Details on the organisation of the Arctic Paper S.A. Group along with identification of the consolidated entities are specified in note 2 in the abbreviated consolidated financial statements, further below in this quarterly report.

Changes in the capital structure of the Arctic Paper Group

In Q1 2026, no material changes in the capital structure of the Arctic Paper Group occurred.

Shareholding structure – shareholders holding at least 5% of the total number of votes in the Company

The table below shows the shareholders holding directly or indirectly at least 5% of the total number of votes at the Company's General Meeting. This status has not changed since the publication date of the annual report, i.e. 21 April 2026.

as at 12.05.2026

Shareholder	Number of shares	Share in the share capital [%]	Number of votes	Share in the total number of votes [%]
Thomas Onstad	47 298 548	68,26%	47 298 548	68,26%
- indirectly via	41 974 890	60,58%	41 974 890	60,58%
<i>Nemus Holding AB</i>	41 374 890	59,71%	41 374 890	59,71%
<i>other entity</i>	600 000	0,87%	600 000	0,87%
- directly	5 323 658	7,68%	5 323 658	7,68%
Other	21 989 235	31,74%	21 989 235	31,74%
Total	69 287 783	100,00%	69 287 783	100,00%
Treasury shares	-	0,00%	-	0,00%
Total	69 287 783	100,00%	69 287 783	100,00%

Shares in Arctic Paper S.A. or entitlements to them held by the Company's managing and supervising persons

	Number of shares or rights as at 12.05.2026
Management Board	
Michał Jarczyński	5 572
Katarzyna Wojtkowiak	-
Tom Fabian Langenskiöld	900
Supervisory Board	
Per Lundeen	34 760
Thomas Onstad*	5 323 658
Roger Mattsson	-
Zofia Dzik	-
Anna Jakubowski	-

*the statement includes only shares held directly

The shareholding of the Company's managing and supervising persons has not changed since the date of publication of the annual report, i.e. 21 April 2026.

Summary of the consolidated financial results

Comments of the President of the Management Board Michał Jarczyński on the results of Q1 2026

For Arctic Paper Group, the first quarter of 2026 was marked by continued uncertainty driven by geopolitical tensions, trade barriers and weak demand, which negatively impacted profitability. While our direct exposure to developments in the Middle East remains limited, higher input and logistics costs have affected results. Arctic Paper Group's revenues for the first quarter of 2026 reached PLN 814.0 million (822.8), while EBITDA decreased to PLN 2.6 million (22.9) with an EBITDA margin of 0.3 percent (2.8).

Market conditions across pulp, paper and packaging remain demanding. In response to the challenges, we continue to execute disciplined measures that are already delivering results. Capital discipline has been tightened, with capex more than halved this year. During H1 we are completing previously initiated projects, while investments in H2 remain strictly constrained. Strengthening operating cash flow through rigorous cost control and working capital optimisation remains a top priority.

For the paper segment, our proactive sales strategy delivered higher volumes in the first quarter (137 000 tons vs. 125 000), contributing to sales remaining stable on PLN 573.4 million (578.8). We continue to strengthen our position: over the past three years, our share of the uncoated woodfree (UWF) paper market in Europe has increased from 10.6 percent to 13.0, while our share in coated woodfree paper rose from 6.6 percent to 8.5. We expect market consolidation to continue. EBITDA amounted to PLN 21.8 million (32.6), with a margin of 3.8 percent (5.6), negatively impacted by rising costs. To mitigate cost pressure, paper price increases of 5–7% were implemented from April, and Arctic Paper has further announced price increases of 4–8%, applicable from 1 June 2026. Our efficiency and cost reduction programme is expected to contribute approximately PLN 6 million to earnings in 2026.

In the pulp segment (Rottneros), the market remained stable, while a weak USD negatively impacted prices and margins in SEK. EBITDA for the quarter was -36 MSEK, down 9 MSEK year-on-year. Implemented cost measures reduced the fixed cost base by around 26 MSEK compared with the same period last year. Wood prices declined further and are now 15 percent below peak levels. During the quarter, an amendment and restatement of the existing loan facility was signed, including temporary covenants valid until the end of April 2027. Focus remains on cash flow, cost efficiency and high production availability.

In the packaging segment, the kraft paper volume remained relatively stable. The pulp tray production facility in Kostrzyn has entered commercial production. However, the transition from plastic to fibre-based packaging is progressing more slowly than anticipated, which has weighed on demand.

Within the power segment, the transition of the new wood pellet plant in Grycksbo into its commercial phase marks an important milestone. Already in 2026, the project will contribute positively to earnings. Pellet sales are anticipated to add approximately SEK 20 million in EBITDA, while internal energy savings from the upgraded boiler are estimated at a further SEK 20-30 million, depending on the energy price. From 2027 onwards, total annual EBITDA contribution from pellet sales is expected to increase to SEK 30-60 million, supported by higher volumes, while energy cost savings are expected to amount to SEK 30-50 million. While results are sensitive to price volatility in energy markets, the overall trend is positive.

Heightened uncertainty driven by the ongoing crises in the Middle East has weakened the outlook for 2026, with no indications of a rapid market recovery. Our focus remains firmly on cost savings and measures to strengthen competitiveness, while our strong balance sheet and cost discipline provide resilience and stability in difficult times. Restoring margins and maintaining firm pricing discipline remain key priorities.

Selected items of the consolidated statement of profit and loss

<i>PLN '000</i>	Q1 2026	Q4 2025	Q1 2025	Change % Q1 2026/ Q4 2025	Change % Q1 2026/ Q1 2025
Continuing operations					
Sales revenue	813 991	745 145	822 770	9,2	(1,1)
<i>of which:</i>					
<i>Sales of paper</i>	573 394	517 902	578 783	10,7	(0,9)
<i>Sales of pulp</i>	240 597	227 244	243 987	5,9	(1,4)
EBIT	(36 164)	(59 945)	(9 824)	(39,7)	268,1
EBITDA	2 564	(21 257)	22 856	(112,1)	(88,8)
Net profit/(loss)	(33 514)	(75 353)	(23 820)	(55,5)	40,7
Net profit/(loss) for the reporting period attributable to the shareholders of the Parent Company	(21 384)	(42 920)	(13 423)	(50,2)	59,3
Sales volume (in thousand tonnes)					
<i>paper</i>	136	121	125	12,8	9,5
<i>pulp</i>	89	87	82	2,7	8,9

During Q1 2026, there was an increase in sales due to higher demand for paper and pulp.

The Group reported an increase in both EBIT, EBITDA and net profit compared with the previous quarter, mainly due to higher sales volumes, mainly in the paper segment, and lower administrative costs.

Profitability analysis

<i>PLN '000</i>	Q1 2026	Q4 2025	Q1 2025	Change % Q1 2026/ Q4 2025	Change % Q1 2026/ Q1 2025
EBITDA	2 564	(21 257)	22 856	(112,1)	(88,8)
<i>% of sales revenue</i>	0,32	(2,85)	2,78	3,2 p.p.	(2,5) p.p.
EBIT	(36 164)	(59 945)	(9 824)	(39,7)	268,1
<i>% of sales revenue</i>	(4,44)	(8,04)	(1,19)	3,6 p.p.	(3,2) p.p.
Net profit/(loss)	(33 514)	(75 353)	(23 820)	(55,5)	40,7
<i>% of sales revenue</i>	(4,12)	(10,11)	(2,90)	6,0 p.p.	(1,2) p.p.
Return on equity / ROE (%)	(2,0)	(4,4)	(1,3)	2,4 p.p.	(0,7) p.p.
Return on assets / ROA (%)	(1,2)	(2,8)	(0,8)	1,6 p.p.	(0,4) p.p.

Margins and profitability ratios in Q1 2026 were at a lower level compared with Q1 2025, but higher compared to Q4 2025.

Selected items of the consolidated statement of financial position

PLN '000	31.03.2026	31.12.2025	31.03.2025	Change	Change
				31.03.2026- 31.12.2025	31.03.2026- 31.03.2025
Non-current assets	1 650 072	1 643 086	1 570 208	6 986	79 864
Current assets	1 033 570	1 033 319	1 298 576	250	(265 007)
Total assets	2 683 642	2 676 405	2 868 784	7 237	(185 141)
Equity	1 681 515	1 697 441	1 778 511	(15 925)	(96 996)
Current liabilities	692 625	776 136	848 996	(83 511)	(156 370)
Non-current liabilities	309 502	202 828	241 277	106 674	68 225
Total equity and liabilities	2 683 642	2 676 405	2 868 784	7 237	(185 141)

The increase in total assets compared with 31 December 2025 is mainly due to higher levels of short-term receivables as well as intangible assets.

As a result of the Rottneros Group signing an annex to the loan agreement, including the new terms of the loan covenants, part of the current liabilities have been re-presented as non-current liabilities.

Debt analysis

	Q1 2026	Q4 2025	Q1 2025	Change % Q1 2026/ Q4 2025	Change % Q1 2026/ Q1 2025
Debt to equity ratio (%)	59,6	57,7	61,3	1,9 p.p.	(1,7) p.p.
Equity to non-current assets ratio (%)	101,9	103,3	113,3	(1,4) p.p.	(11,4) p.p.
Interest-bearing debt-to-equity ratio (%)	20,1	17,6	21,1	2,5 p.p.	(1,0) p.p.
Net debt to EBITDA ratio for the last 12 months (x)	NA*	NA*	0,7x	-	-
EBITDA to interest expense ratio for the last 12 months (x)	NA*	NA*	34,1x	-	-

* The ratio is not economically meaningful due to negative EBITDA.

The increase in the debt-to-equity ratio relative to the ratio calculated for Q4 2025 is the result of an increase in the Group's liabilities with a slight decrease in equity.

The decrease in the equity to non-current assets ratio is primarily the result of an increase in property, plant and equipment with a slight decrease in equity.

The decrease in the debt to equity ratio with interest-bearing debt compared to the ratio calculated at the end of the fourth quarter of 2025 is the result of a higher level of long-term debt.

Liquidity analysis

	Q1 2026	Q4 2025	Q1 2025	Change % Q1 2026/Q4 2025	Change % Q1 2026/Q1 2025
Current ratio	1,5x	1,3x	1,5x	0,2	(0,0)
Quick ratio	0,8x	0,7x	0,9x	0,1	(0,1)
Cash solvency ratio	0,2x	0,2x	0,3x	(0,0)	(0,1)
DSI (days)	50,1	48,7x	65,6	1,5	(15,5)
DSO (days)	47,3	44,4x	52,2	2,8	(4,9)
DPO (days)	53,2	49,9x	58,0	3,3	(4,8)
Operating cycle (days)	97,4	93,1x	117,8	4,3	(20,4)
Cash conversion cycle (days)	44,2	43,2x	59,8	0,9	(15,6)

The values of the liquidity and cash solvency ratios remain at similar levels compared with the 2025 periods.

The cash conversion cycle in days in Q1 2026 increased slightly compared with Q4 2025, but decreased compared to Q1 2025. The decrease compared to Q1 2025 is due to a shortening of the rotation cycle of inventories, receivables and payables.

Selected items of the consolidated statement of cash flows

<i>PLN '000</i>	Q1 2026	Q4 2025	Q1 2025	Change % Q1 2026/ Q4 2025	Change % Q1 2026/ Q1 2025
Cash flows from operating activities	(46 683)	93 360	(9 808)	(146,7)	337,6
Cash flows from investing activities	(40 810)	(79 026)	(73 940)	(82,7)	(44,8)
Cash flows from financing activities	43 551	(13 157)	72 123	(51,9)	(39,6)
Total cash flows	(43 941)	1 176	(11 625)	(25,8)	245,6

The lower operating cash flow in Q1 2026 is mainly due to the gross loss achieved and an increase in receivables.

Negative flows from investing activities are the result of expenditure on the acquisition of intangible assets.

The positive flow from financing activities is due to an increase in investment loans and overdrafts.

Summary of separate financial results

Selected items of the separate statement of profit or loss

<i>PLN '000</i>	Q1 2026	Q4 2025	Q1 2025	YTD Q1 2026	YTD Q1 2025	Change % Q1 2026/ Q4 2025	Change % Q1 2026/ Q1 2025
Sales revenue	5 568	4 623	7 123	5 568	7 123	20	(22)
EBIT	(2 376)	(7 942)	(987)	(2 376)	(987)	(70)	141
EBITDA	(2 274)	(7 818)	(879)	(2 274)	(879)	(71)	159
Gross profit/(loss)	(5 422)	(13 986)	1 417	(5 422)	1 417	(61)	(483)
Net profit/(loss)	(5 422)	(17 997)	2 039	(5 422)	2 039	(70)	(366)

Sales revenue

The lower level of income achieved in Q1 2026 was due to the absence of dividend income and lower interest received compared with the same period of 2025.

EBIT and EBITDA

The decrease in financial performance in Q1 2026 was primarily due to lower income levels, as a result of the absence of dividend income and lower interest received. As a result, the Company reported a decrease in profit on sales and lower EBIT and EBITDA levels compared with the same period last year.

Gross profit/(loss) and net profit/(loss)

The lower financial result in Q1 2026 compared with the same period in 2025 is due to the Company achieving lower operating income resulting from lower interest and the absence of dividend income in the period.

Selected items of the separate statement of financial position

<i>PLN '000</i>	31.03.2026	31.12.2025	31.03.2025	Change 31.03.2026- 31.12.2025	Change 31.03.2026- 31.03.2025
Non-current assets	1 215 215	1 190 275	1 129 685	24 940	85 530
Current assets	70 607	70 747	166 361	(140)	(95 754)
Total assets	1 285 822	1 261 022	1 296 046	24 800	(10 223)
Equity	973 821	979 269	966 109	(5 448)	7 713
Current liabilities	255 268	247 698	302 698	7 570	(47 430)
Non-current liabilities	56 733	34 055	27 239	22 678	29 494
Total equity and liabilities	1 285 822	1 261 022	1 296 046	24 800	(10 223)

Non-current assets

The increase in the value of non-current assets in Q1 2026 compared with Q1 2025 was due to the acquisition of a non-current asset and also due to a higher value of other financial assets (long-term intragroup loans).

Current assets

The decrease in current assets was due to lower cash balances in Q1 2026.

Equity

The decrease in equity was solely due to the negative financial result for Q1 2026.

Current liabilities

The increase in current liabilities in Q1 2026 was mainly due to the increased use of revolving overdrafts.

Non-current liabilities

The increase in non-current liabilities compared with the same period of the previous year was due to an increase in the balance of long-term bank loans.

Selected items of the separate statement of cash flows

<i>PLN '000</i>	Q1 2026	Q4 2025	Q1 2025	Change % Q1 2026/ Q4 2025	Change % Q1 2026/ Q1 2025
Cash flows from operating activities	(55 072)	(57 022)	(44 367)	(3)	24
Cash flows from investing activities	(151)	(2 565)	-	(94)	-
Cash flows from financing activities	45 428	(23 620)	(790)	(292)	(5 850)
Total cash flows	(9 795)	(83 207)	(45 157)	(88)	(78)

The negative cash flow from operations in Q1 2026 was significantly impacted by the pre-tax loss incurred, lower revenue received from subsidiaries and the change in cash settlements-pooling. The negative cash flow from investing activities was due to capital expenditure related to the acquisition of property, plant and equipment. Positive flows from financing activities, on the other hand, were the result of the increased use of the revolving credit facility and the receipt of further tranches of the bank loan.

Significant information and factors affecting the Arctic Paper Group's performance and assessment of its financial position

Information on market trends

In Q1 2026, the Arctic Paper Group recorded an increased level of orders versus Q4 2025 by 13.9% and an increase of orders versus the equivalent period of 2025 by 9.4%.

Source of data: Analysis by Arctic Paper

Paper prices

In Q1 2026, the average prices of high quality UWF paper decreased by 5.1% while the prices of CWF paper decreased by 4.5% versus equivalent prices of Q1 2025.

In the period from the end of December 2025 to March 2026, the prices of uncoated wood-free paper (UWF) and coated wood-free paper (CWF) for selected markets: Germany, France, Spain, Italy and the UK expressed in EUR and GBP increased by 1.2% for UWF papers and by 0.1% for CWF papers, respectively.

Arctic Paper's invoiced prices in EUR of comparable products in the uncoated woodfree paper (UWF) segment remained unchanged from the end of December 2025 to the end of March 2026. In the wood-free coated papers (CWF) segment, average invoiced prices increased by 4% over the same period. At the end of Q1 2026, Arctic Paper's invoiced prices for uncoated woodfree (UWF) papers fell by 10.6% compared to prices at the end of March 2025, while for coated woodfree (CWF) papers they recorded a decline of 8.5%.

Source: For market data – RISI, price changes for selected markets in Germany, France, Spain, Italy and the UK in local currencies for graphic papers similar to the product portfolio of the Arctic Paper Group. The prices are quoted without considering specific rebates for individual clients and they do not include any additions or price reductions in relation to the publicly available price lists. The estimated prices for each month reflect orders placed in the month while the deliveries may take place in the future. Because of that, RISI price estimates for a particular month do not reflect the actual prices at which deliveries are performed but only express ordering prices. For Arctic Paper products, the average invoiced sales prices for all served markets in EUR.

Pulp prices

At the end of Q1 2026, the pulp prices were as follows: NBSK 1,653 USD/tonne and BHKP 1,280 USD/tonne. The average NBSK price in Q1 2026 was 4.5% higher than in the same period last year, while BHKP was 12.6% higher. The average pulp price in Q1 2026 was higher by 4.4% for NBSK and higher by 11.3% for BHKP as compared with Q4 2025.

The average cost of pulp per ton of produced paper as calculated for the AP Group, expressed in PLN, in Q1 2026 increased by 2.1% versus Q4 2025 and decreased by 12% versus Q1 2025. The share of pulp costs in cost of paper sales in Q1 of the current year amounted to 42.2% and decreased compared to the level recorded in Q1 2025 (50%).

In Q1 2026, the AP Group used pulp in the production process in the following structure: BHKP 77.5%, NBSK 15.5% and other 7%.

Source of data: www.foex.fi Arctic Paper analysis.

Currency exchange rates

The EUR/PLN exchange rate at the end of Q1 2026 amounted to 4.2894 and was higher by 1.5% than at the end of Q4 2025 and higher by 2.5% than at the end of Q1 2025. The average exchange rate in Q1 2026 was lower by 0.1% than in Q4 2025 and amounted to 4.2352 versus 4.2383. The average exchange rate in Q1 2026 was by 0.8% higher than in Q1 2025.

The EUR/SEK exchange rate at the end of March 2026 stood at 10.9423 against 10.8155 at the end of 2025 and 10.8223 at the end of Q1 2025, implying an appreciation of the EUR against the SEK by 1.1% and 1.2% respectively:

The average rate for the pair was 2.4% lower in Q1 2026 than in Q4 2025, while it was 4.8% lower compared with the same period in 2025.

The changes mean depreciation of SEK vis-a-vis EUR in Q1 2026 which had an unfavourable impact on the Group's financial results, primarily with reference to the sales revenue generated by the Swedish factories that rely on prices in EUR.

At the end of Q1 2026, the USD/PLN rate recorded an increase by 3.9% versus the end of Q4 2025 and amounted to 3.7408. In Q1 2026, the mean exchange rate amounted to 3.6199 compared with 3.6432 in Q4 2025. This represents a 0.6% appreciation of the PLN against the USD compared with the previous quarter. In relation to the corresponding quarter of the previous year, the average exchange rate of the home currency against the USD strengthened by 9.3%.

The USD/SEK exchange rate at the end of Q1 2026 was 9.5429, 3.5% higher than at the end of 2025. The average rate in Q1 2026 was 9.1407, 2.9% lower than the average rate in Q4 2025.

The changes of the USD/SEK exchange rates in Q1 2026 favourably affected the costs incurred in USD by the Swedish Pulp Mills, in particular the costs of pulp. With regard to the Kostrzyn paper mill, the average monthly USD/PLN exchange rate weakened in relation to the corresponding rate in Q4 2025, which also translated favourably into the pulp purchase costs realised in USD by the Polish mill.

At the end of March of the current year, the EUR/USD rate amounted to 1.1467 compared with 1.1736 at the end of Q4 2025 and to 1.0827 at the end of March 2025. In terms of percentage, that means a depreciation of EUR to USD by 2.3% versus Q4 2025 and an appreciation of the currency by 5.9% versus Q1 2025. In Q1 2026, the mean exchange rate of the pair amounted to 1.1702 compared with 1.1634 in Q4 2025 (+0.6%).

The appreciation of SEK versus EUR has unfavourably affected the Group's financial profit, mainly due to decreased sales revenue generated in EUR and translated into SEK. The strengthening of the PLN against the USD in Q1 2026 had a positive impact on the purchase prices of raw material at the Kostrzyn mill. The SEK strengthening against the USD, in turn, had a positive impact on the aforementioned costs at Swedish paper mills

Factors influencing the financial results in the perspective of the next quarter

The material factors that have an impact on the financial results over the next quarter, include:

- Shaping demand for high-grade papers in Europe at a time of a tense geopolitical situation, high pulp prices, and an economic slowdown in Germany. Over the recent years there has been a major decrease of demand for fine paper in Europe (level of executed orders). Further negative developments in the market may adversely affect order levels to our Paper Mills. The accelerated digitalisation of legacy print products may have the additional effect of reducing demand for high-quality graphic papers and therefore negatively impact the Group's financial performance.
- Price changes of fine paper. In particular, the possibility to maintain the prices of Arctic Paper products in local currencies in view of the declining supply/demand in Europe and in the context exchange rates fluctuations, will have a material influence on the financial results. Paper prices will play a particularly important role for the Kostrzyn mill, which is particularly strongly, and negatively, affected by falling sales volumes and prices due to the changes in the market.
- Price fluctuations of raw materials, including pulp for Paper Mills and electricity for all operational entities. In particular, financial results of Paper Mills may be negatively influenced by increasing pulp prices, particularly BHKP. On the other hand, dropping NBSK pulp prices may negatively affect the financial results of Pulp Mills. Fluctuations of electricity prices in Sweden may also have a material impact on the results generated by the Group. In the future, such market changes may translate into changes of sales profitability in Paper Mills of AP Munkedals and AP Grycksbo as well as in Pulp Mills of Rottneros and Vallvik.
- Changes in currency rates, in particular, the appreciation of PLN and SEK in relation to EUR and GBP, the appreciation of PLN in relation to SEK, and the depreciation of PLN and SEK in relation to USD, may have an adverse effect on the financial results. Whereby our pulp mills will benefit from the appreciation of the USD against the SEK.

Risk factors

In Q1 2026, there were no material changes to the risk factors. Those were presented in detail in the annual report for 2025.

Key factors affecting the Company's performance

The Group's operating activity has been and will continue to be historically influenced by the following key factors:

- macroeconomic and other economic factors;
- demand growth for products based on natural fibres;
- reduced demand for certain paper types;
- fluctuations of paper prices;
- pulp price fluctuations for Paper Mills, timber for Pulp Mills and energy prices;
- fluctuations in foreign exchange rates.

Macroeconomic and other economic factors

We believe that a number of macro-economic and other economic factors have a material impact on the demand for high-quality paper, and they may also influence the demand for the Group's products and the Group's operating results. Those factors include:

- GDP growth;
- net income – as a metric of income and affluence of the population;
- production capacity – the surplus of supply in the high quality paper segment over demand and decreasing sales margins on paper;
- paper consumption;
- technology development.

Demand growth for products based on natural fibres

The trend observed in developed societies concerning a reduction of man's adverse impact on the environment, in particular reduction of use of disposable, plastic packaging that may not be recycled, offers new opportunities for the development of the pulp & paper sector. In many companies, work has been under way to develop new methods of packaging and production of packaging with natural materials, including pulp, so that it can be recycled. Arctic Paper is also involved in such research. In the near future, the product segment is expected to increase its percentage share in the volumes and revenue of the Arctic Paper Group.

Reduced demand for certain paper types

Development of new technologies, in particular in the areas of information and communication, results in decreasing demand for certain paper types – in particular, this affects newsprint and to a lesser extent – graphic papers. However, despite the increasing popularity of e-books, the volume of book paper produced and sold by Arctic Paper has been stable in the recent years, less sensitive to changing market conditions. Nevertheless, in its strategy Arctic Paper has set a direction of activity so that within several years, the segment of non-graphic papers (that is technical or packaging paper) accounts for 1/5 of its consolidated revenue.

Paper prices

Paper prices undergo cyclic changes and fluctuations, they depend on global changes in demand and overall macroeconomic and other economic factors such as indicated above. Prices of paper are also influenced by a number of factors related to the supply, primarily changes in production capacities at the worldwide and European level.

Costs of raw materials, energy and transportation

The main elements of the Group's operating expenses include raw materials, energy and transportation. The costs of raw materials include mainly the costs of pulp for Paper Mills, timber for Pulp Mills and chemical agents used for paper and pulp

production. Our energy costs historically include mostly the costs of electricity, gas and rights to CO2 emissions. The costs of transportation include the costs of transportation services provided to the Group mainly by external entities.

Considering the share of those costs in total operating expenses of the Group and the limited possibility of controlling these costs by the Group Companies, their fluctuations may have a major impact on the Group's profitability.

A part of pulp supplies to our Paper Mills is made from our own Pulp Mills. The remaining part of the pulp produced at the Pulp Mills is sold to external customers.

Currency rate fluctuations

The Group's operating results are significantly influenced by currency rate fluctuations. In particular, the Group's revenue and costs are expressed in different foreign currencies and are not matched, therefore, the appreciation of the currencies in which we incur costs towards the currencies in which we generate revenue, will have an adverse effect on the Group's results. Our products are primarily sold to euro zone countries, Scandinavia, Poland and the UK, thus our revenue are largely denominated in EUR, GBP, SEK and PLN while revenue from the pulp mills are primarily denominated in USD. The Group's operating expenses are primarily expressed in USD (pulp costs for Paper Mills), EUR (costs related to pulp for Paper Mills, energy, transportation, chemicals), PLN (the majority of other costs incurred by the Paper Mill in Kostrzyn nad Odrą) and SEK (the majority of other costs incurred by the Munkedal and Grycksbo Paper Mills as well as the Rottneros and Vallvik Pulp Mills).

Exchange rates also have an important impact on results reported in our financial statements because of changes in exchange rates of the currencies in which we generate revenue and incur costs, and the currency in which we report our financial results (PLN).

Unusual events and factors. Impact of changes in the structure of the Arctic Paper Group on the financial result

Impact of the political and economic situation in the Middle East region on the Group's activities

The Issuer continuously analyses the impact of the political and economic situation in the Middle East region on the Group's operations. The Group has no operations in the countries of the region and does not use logistics routes through conflict areas for the supply of raw materials or the distribution of products.

The analysis conducted does not currently indicate that the conflict will have a direct material impact on the Group's operations for the foreseeable future, including in particular the availability of key raw materials or the continuity of supply chains.

At the same time, the Issuer indicates that the escalation of geopolitical tensions in the Middle East region may indirectly affect the macroeconomic situation and the operating conditions of the markets in which the Group operates. In particular, potential risks include:

- an increase in the volatility of energy commodity prices (including oil and gas), which may affect energy costs in Europe;
- disruption to global supply chains and increased transport and insurance costs;
- economic downturn and a decline in demand for the Group's products as a result of increased economic uncertainty;
- exchange rate fluctuations.

At the date of this report, the Issuer does not identify any significant negative impact of these factors on the Group's performance, but the situation remains dynamic and is monitored on an ongoing basis. If the risks identified materialise, they may indirectly affect the Group's operations, financial results and development prospects in the future.

During Q1 2026, there were no other events or factors of an unusual nature that affected the abbreviated financial statements.

Supplementary information

The Management Board position on the possibility to achieve the projected financial results published earlier

The Management Board of Arctic Paper S.A. has not published the projected financial results for 2026.

Information on sureties and guarantees granted in Q1 2026

During the period covered by this report, the Company and the Group did not issue any new sureties or guarantees.

Information on court and arbitration proceedings and proceedings pending before public administrative authorities

In the period covered by this report, Arctic Paper S.A. and its subsidiaries were not a party to any material proceedings pending before a court, a competent authority for arbitration proceedings or a public administration authority.

Information on transactions with related parties executed on non-market terms and conditions

During the period under report, Arctic Paper S.A. and its subsidiaries did not execute any material transactions with related parties on non-market terms and conditions.

Signatures of the Members of the Management Board

Position	First and last name	Date	Signature
President of the Management Board CEO	Michał Jarczyński	12 May 2026	signed with a qualified electronic signature
Member of the Management Board CFO	Katarzyna Wojtkowiak	12 May 2026	signed with a qualified electronic signature
Member of the Management Board Vice-President for Sales and Marketing	Fabian Langenskiöld	12 May 2026	signed with a qualified electronic signature

Quarterly abbreviated consolidated financial statements

for the period of three months
ended on 31 March 2026

Interim abbreviated consolidated financial statements

Interim abbreviated consolidated statement of profit or loss

	3-month period ended on 31 March 2026 (unaudited)	3-month period ended on 31 March 2025 (unaudited)	Year ended on 31 December 2025
Continuing operations			
Revenue from product sales	813 991	822 770	3 197 594
Sales revenue	813 991	822 770	3 197 594
Costs of sales	(745 845)	(708 386)	(2 966 333)
Gross profit/(loss) on sales	68 145	114 384	231 261
Selling and distribution costs	(92 245)	(87 857)	(345 483)
Administrative expenses	(26 377)	(35 922)	(109 576)
Other operating income	32 553	23 013	129 360
Other operating expenses	(18 241)	(23 442)	(59 338)
Operating profit/(loss)	(36 164)	(9 824)	(153 776)
Finance income	2 755	1 351	4 406
Finance costs	(4 723)	(19 067)	(61 721)
Gross profit/(loss)	(38 133)	(27 540)	(211 091)
Income tax	4 619	3 720	35 726
Net profit/(loss) from continuing operations	(33 514)	(23 820)	(175 365)
Net profit/(loss)	(33 514)	(23 820)	(175 365)
Attributable to:			
The shareholders of the Parent Company	(21 384)	(13 423)	(99 681)
Non-controlling shareholders	(12 130)	(10 397)	(75 684)
	(33 514)	(23 820)	(175 365)
Earnings per share:			
– basic earnings from the profit/(loss) attributable to the shareholders of the Parent Company	(0,31)	(0,19)	(1,44)
– diluted earnings from the profit attributable to the shareholders of the Parent Company	(0,31)	(0,19)	(1,44)

Interim abbreviated consolidated statement of comprehensive income

	3-month period ended on 31 March 2026 (unaudited)	3-month period ended on 31 March 2025 (unaudited)	Year ended on 31 December 2025
Net profit/(loss) for the reporting period	(33 514)	(23 820)	(175 365)
Items of other comprehensive income to be reclassified to profit or loss, before taxation	19 840	30 910	(119 353)
Foreign exchange differences on translation of foreign operations	8 946	44 310	(58 223)
Measurement of financial instruments	10 894	(13 401)	(61 130)
<i>Measurement of financial instruments (items to be reclassified in future periods)</i>	6 849	(13 516)	(45 631)
<i>Measurement of financial instruments (items reclassified in the period)</i>	4 045	116	(15 499)
Items of other comprehensive income not to be reclassified to profit or loss, before taxation	-	-	748
Actuarial profit/(loss) for defined benefit plans	-	-	748
Other comprehensive income before tax	19 840	30 910	(118 605)
Income tax relating to items of other comprehensive income that will be reclassified to profit or loss	(2 256)	2 697	8 087
Deferred tax on the measurement of financial instruments	(2 256)	2 697	8 087
<i>Deferred tax on the measurement of financial instruments (subject to reclassification in future periods)</i>	(2 256)	1 989	7 350
<i>Deferred tax on the measurement of financial instruments (reclassified in the period)</i>	-	708	737
Income tax relating to items of other comprehensive income not to be reclassified to profit or loss	-	-	(106)
Deferred tax on actuarial profit/(loss) relating to defined benefit plans	-	-	(106)
Other net comprehensive income	17 584	33 608	(110 624)
Total comprehensive income for the period	(15 929)	9 788	50 480
Total comprehensive income attributable to:			
The shareholders of the Parent Company	(4 866)	11 733	81 154
Non-controlling shareholders	(11 063)	(1 945)	(30 673)

Interim abbreviated consolidated statement of financial position

	As at 31 March 2026 (unaudited)	As at 31 December 2025	As at 31 March 2025 (unaudited)
ASSETS			
Non-current assets			
Property, plant and equipment	1 511 380	1 527 706	1 486 258
Intangible assets	101 700	78 446	48 897
Goodwill	8 232	8 207	8 119
Investments in joint ventures	5 213	5 203	5 168
Other financial assets	14 930	14 943	15 304
Other non-financial assets	1 691	1 668	230
Deferred tax asset	6 926	6 913	6 232
	1 650 072	1 643 086	1 570 208
Current assets			
Inventories	415 547	443 529	516 422
Trade and other receivables	427 478	367 833	477 128
Corporate income tax receivables	26 287	22 296	34 885
Other non-financial assets	47 623	47 115	39 019
Other financial assets	7 947	903	618
Cash and cash equivalents	108 687	151 642	230 503
	1 033 570	1 033 319	1 298 576
TOTAL ASSETS	2 683 642	2 676 405	2 868 784
EQUITY AND LIABILITIES			
Equity			
Equity (attributable to the shareholders of the Parent Company)			
Share capital	69 288	69 288	69 288
Supplementary capital	625 733	625 733	625 733
Other reserves	348 948	340 311	130 692
Foreign exchange differences on translation	(124 747)	(101 862)	(111 183)
Retained earnings/Accumulated losses	460 654	482 037	752 497
	1 379 876	1 415 506	1 467 027
Non-controlling interests	301 639	281 935	311 484
Total equity	1 681 515	1 697 441	1 778 511
Non-current liabilities			
Interest-bearing loans and bonds	172 436	56 060	47 838
Provisions	12 841	12 930	12 199
Employee benefit liabilities	20 032	19 920	20 300
Other financial liabilities	29 579	36 501	49 759
Deferred tax liability	70 268	72 650	105 069
Grants and deferred income	4 346	4 766	6 111
	309 502	202 828	241 277
Current liabilities			
Interest-bearing loans and bonds	128 188	195 019	266 174
Provisions	606	774	349
Other financial liabilities	7 517	10 776	11 830
Trade and other payables	441 257	454 527	456 533
Employee benefit liabilities	101 886	98 551	102 288
Income tax liability	1 588	518	421
Grants and deferred income	11 585	15 971	11 402
	692 625	776 136	848 996
TOTAL LIABILITIES	1 002 127	978 964	1 090 273
TOTAL EQUITY AND LIABILITIES	2 683 642	2 676 405	2 868 784

The additional notes to the quarterly abbreviated financial statements included on pages 34 to 48 form an integral part of these statements

Interim abbreviated consolidated statement of cash flows

	3-month period ended on 31 March 2026 (unaudited)	3-month period ended on 31 March 2025 (unaudited)	Year ended on 31 December 2025
Cash flows from operating activities			
Gross profit/(loss)	(38 133)	(27 540)	(211 091)
Adjustments for:			
Depreciation/amortisation	38 728	33 112	194 297
Impairment of non-financial assets	-	(432)	-
Foreign currency gains/(loss)	30	3 711	4 910
Interest, net	4 451	3 312	13 646
Profit/(loss) on investing activities	-	-	(955)
(Increase)/decrease in receivables and other receivables	(59 245)	(28 177)	68 039
(Increase)/decrease in inventories	29 128	(7 126)	68 819
Increase/(decrease) of liabilities except loans, borrowings, bonds and other financial liabilities	(2 139)	13 631	18 656
Change in accruals and prepayments	(2 412)	(4 626)	(8 151)
Change in provisions	(302)	37	2 691
Change in pension provisions and employee liabilities	2 375	2 810	(1 435)
Change in grants and deferred income	(4 915)	1 530	4 614
Co-generation certificates and CO2 emission rights	(28 440)	-	(5 705)
Change in settlement of realised forward contracts that meet hedge accounting rules	17 831	61	(3 328)
Other	127	(108)	(255)
Total cash flows from operating activities	(42 916)	(9 808)	144 752
Income tax paid	(3 767)	(47 692)	(26 422)
Net cash flows from operating activities	(46 683)	(57 499)	118 329
Cash flows from investing activities			
Disposal of property, plant and equipment and intangible assets	-	126	126
Purchase of property, plant and equipment and intangible assets	(40 810)	(74 066)	(300 730)
Proceeds from bank deposit set up for more than 3 months	-	-	(1 437)
Net cash flows from investing activities	(40 810)	(73 940)	(302 041)
Cash flows from financing activities			
Change to overdraft facilities	22 035	75 194	67 026
Repayment of leasing liabilities	(2 618)	(2 046)	(6 469)
Proceeds from borrowing	25 879	6 478	68 192
Repayment of loans	(198)	(6 547)	(84 332)
Interest paid	(1 547)	(956)	(466)
Net cash flows from financing activities	43 551	72 123	43 951
Increase/(decrease) in cash and cash equivalents	(43 941)	(59 317)	(139 761)
Net foreign exchange differences	987	2 237	3 823
<i>Increase (decrease) in cash and cash equivalents after effects of exchange rate changes</i>	(42 954)	(57 080)	(135 938)
Cash and cash equivalents at the beginning of the period	151 642	287 583	287 583
Cash and cash equivalents at the end of the period	108 687	230 503	151 642

Interim abbreviated consolidated statement of changes in equity

Attributable to the shareholders of the Parent Company								
	Share capital	Supplementary capital	Foreign exchange differences on translation of foreign operations	Other reserves	Retained earnings (Accumulated losses)	Total	Equity attributable to non-controlling shareholders	Total equity
As at 1 January 2026	69 288	625 733	(101 862)	340 310	482 038	1 415 506	281 934	1 697 441
Net profit/(loss) for the period	-	-	-	-	(21 384)	(21 384)	(12 130)	(33 514)
Other net comprehensive income for the period	-	-	7 880	8 639	-	16 519	1 067	17 586
Total comprehensive income for the period	-	-	7 880	8 639	(21 384)	(4 865)	(11 063)	(15 929)
<i>Increase/decrease in equity</i>	-	-	7 880	8 639	(21 384)	(4 865)	(25 042)	(15 929)
As at 31 March 2026 (unaudited)	69 288	625 733	(93 982)	348 948	460 654	1 410 641	256 893	1 681 514

Attributable to the shareholders of the Parent Company								
	Share capital	Supplementary capital	Foreign exchange differences on translation of foreign operations	Other reserves	Retained earnings (Accumulated losses)	Total	Equity attributable to non-controlling shareholders	Total equity
As at 1 January 2025	69 288	625 733	(144 397)	138 749	765 920	1 455 293	313 429	1 768 723
Net profit/(loss) for the period	-	-	-	-	(13 423)	(13 423)	(10 397)	(23 820)
Other net comprehensive income for the period	-	-	33 214	(8 057)	-	25 157	8 452	33 609
Total comprehensive income for the period	-	-	33 214	(8 057)	(13 423)	11 734	(1 945)	9 788
Payment of dividend to shareholders	-	-	-	-	-	-	(13 979)	(13 979)
<i>Increase/decrease in equity</i>	-	-	33 214	(8 057)	(13 423)	11 734	(15 924)	(4 191)
As at 31 March 2025 (unaudited)	69 288	625 733	(111 183)	130 692	752 497	1 467 027	297 504	1 764 532

The additional notes to the quarterly abbreviated financial statements included on pages 34 to 48 form an integral part of these statements

Attributable to the shareholders of the Parent Company

	Share capital	Supplementary capital	Foreign exchange differences on translation of foreign operations	Other reserves	Retained earnings (Accumulated losses)	Total	Equity attributable to non-controlling shareholders	Total equity
As at 1 January 2025	69 288	625 733	(144 397)	138 749	765 920	1 455 293	313 429	1 768 723
Net profit/(loss) for the financial year	-	-	-	-	(99 680)	(99 680)	(75 684)	(175 364)
Other net comprehensive income for the year	-	-	42 535	4 268	(298)	46 505	15 968	62 474
Total comprehensive income for the year	-	-	42 535	4 268	(99 978)	(53 175)	(59 716)	(112 891)
Profit distribution	-	-	-	197 292	(197 292)	-	-	-
Acquisition of shares in a subsidiary – minority interest	-	-	-	-	13 388	13 388	28 221	41 609
<i>Total changes in capital</i>	-	-	42 535	201 560	(283 883)	(39 787)	(31 495)	(71 282)
As at 31 December 2025	69 288	625 733	(101 862)	340 310	482 038	1 415 506	281 934	1 697 441

The additional notes to the quarterly abbreviated financial statements included on pages 34 to 48 form an integral part of these statements

Interim abbreviated separate financial statements

Interim abbreviated separate statement of profit or loss

	3-month period ended on 31 March 2026 (unaudited)	3-month period ended on 31 March 2025 (unaudited)	Year ended on 31 December 2025
Continuing operations			
Revenue from sales of services	4 872	3 826	15 432
Interest income on loans	696	840	2 816
Dividend income	-	2 457	45 243
Sales revenue	5 568	7 123	63 491
Interest expense to related parties and costs of sales of logistics services	(2 749)	(2 925)	(12 357)
Gross profit/(loss) on sales	2 819	4 198	51 134
Other operating income	20	32	753
Administrative expenses	(5 159)	(5 154)	(24 776)
Impairment loss on assets	-	-	(424)
Other operating expenses	(56)	(63)	(143)
Operating profit/(loss)	(2 376)	(987)	26 544
Finance income	120	3 603	7 192
Finance costs	(3 166)	(1 199)	(13 673)
Gross profit/(loss)	(5 422)	1 417	20 063
Income tax	-	622	(4 011)
Net profit/(loss) for the period	(5 422)	2 039	16 052
Earnings per share:			
– basic earnings from the profit/(loss) for the period (in PLN)	(0,08)	0,03	0,23
– basic earnings from the profit/(loss) from continuing operations for the period (in PLN)	(0,08)	0,03	0,23

Interim abbreviated separate statement of comprehensive income

	3-month period ended on 31 March 2026 (unaudited)	3-month period ended on 31 March 2025 (unaudited)	Year ended on 31 December 2025
Net profit/(loss) for the reporting period	(5 422)	2 039	16 052
<i>Items to be reclassified to profit/(loss) in future reporting periods:</i>			
Measurement of financial instruments	-	(379)	(1 331)
Deferred tax on the measurement of financial instruments	-	72	253
Foreign exchange differences on translation of foreign operations	(26)	(327)	(408)
Other net comprehensive income	(26)	(633)	(1 486)
Total comprehensive income	(5 448)	1 406	14 566

Interim abbreviated separate statement of financial position

	As at 31 March 2026 (unaudited)	As at 31 December 2025	As at 31 March 2025 (unaudited)
ASSETS			
Non-current assets			
Property, plant and equipment	1 015	945	1 066
Intangible assets	1 449	1 470	1 319
Shares in subsidiaries	1 142 283	1 142 283	1 070 752
Other financial assets	69 005	44 114	50 809
Deferred tax	1 463	1 463	5 739
	1 215 215	1 190 275	1 129 685
Current assets			
Trade and other receivables	24 041	20 755	20 583
Income tax receivables	3 463	3 463	5 599
Other financial assets	19 311	14 787	118
Other non-financial assets	14 188	12 082	9 756
Cash and cash equivalents	9 604	19 660	130 305
	70 607	70 747	166 361
TOTAL ASSETS	1 285 822	1 261 022	1 296 046
EQUITY AND LIABILITIES			
Equity			
Share capital	69 288	69 288	69 288
Supplementary capital	625 736	625 736	625 736
Other reserves	332 802	332 802	136 281
Foreign exchange differences on translation	2 138	2 164	2 245
Retained earnings/Accumulated losses	(56 142)	(50 720)	132 559
Total equity	973 821	979 269	966 109
Non-current liabilities			
Interest-bearing loans, borrowings and bonds	54 400	31 722	24 350
Deferred tax liability	2 333	2 333	2 889
	56 733	34 055	27 239
Current liabilities			
Interest-bearing loans, borrowings and bonds	220 666	219 487	270 642
Trade payables	22 544	16 715	18 957
Other financial liabilities	-	-	12
Other current liabilities	8 559	8 172	10 582
Employee benefit liabilities	3 388	3 212	2 505
Income tax liability	111	111	-
	255 268	247 698	302 698
TOTAL LIABILITIES	312 001	281 753	329 937
TOTAL EQUITY AND LIABILITIES	1 285 822	1 261 022	1 296 046

Interim abbreviated separate statement of cash flows

	3-month period ended on 31 March 2026 (unaudited)	3-month period ended on 31 March 2025 (unaudited)	Year ended on 31 December 2025
Cash flows from operating activities			
Gross profit/(loss)	(5 422)	1 417	20 063
Adjustments for:			
Depreciation/amortisation	102	108	434
Foreign currency gains/(loss)	957	283	(3 736)
Interest and dividend, net	1 174	556	2 736
Profit/(loss) from investing activities	-	-	(123)
Change in receivables and other non-financial assets	(5 393)	(2 384)	(4 881)
Change in liabilities excluding loans and borrowings and other financial liabilities	6 392	1 141	(2 805)
Income tax	-	1 141	2 656
Change in cash-pooling liabilities	(23 268)	(46 813)	(94 935)
Change in loans granted to subsidiaries	(29 414)	110	(8 817)
Interest received on loans granted and cash-pooling	395	916	3 014
Interest paid under cash-pooling	(723)	(745)	(3 811)
Other	127	(96)	5 772
Net cash flows from operating activities	(55 072)	(44 367)	(84 433)
Cash flows from investing activities			
Disposal of property, plant and equipment and intangible assets	(151)	-	123
Purchase of property, plant and equipment and intangible assets	-	-	(359)
Increase in investments in subsidiaries	-	-	(71 531)
Net cash flows from investing activities	(151)	-	(71 766)
Cash flows from financing activities			
Repayment of leasing liabilities	-	(7)	(17)
Repayment of loans and borrowings	-	-	(42 933)
Change in working capital facilities	20 055	-	28 696
Loans received	25 879	-	12 789
Interest paid	(505)	(783)	(2 469)
Net cash flows from financing activities	45 428	(790)	(3 935)
Cash and cash equivalents at the beginning of the period	19 660	176 985	176 985
Change in cash and cash equivalents	(9 795)	(45 157)	(160 136)
Net foreign exchange differences	(261)	(1 523)	2 811
Cash and cash equivalents at the end of the period	9 604	130 305	19 660

Interim abbreviated separate statement of changes in equity

	Share capital	Supplementary capital	Foreign exchange differences on translation of foreign operations	Other reserves	Retained earnings (Accumulated losses)	Total equity
As at 1 January 2026	69 288	625 736	2 164	332 802	(50 720)	979 269
Net profit/(loss) for the period	-	-	-	-	(5 422)	(5 422)
Other comprehensive income for the period	-	-	(26)	-	-	(26)
Total comprehensive income for the period	-	-	(26)	-	(5 422)	(5 448)
As at 31 March 2026 (unaudited)	69 288	625 736	2 138	332 802	(56 142)	973 821

	Share capital	Supplementary capital	Foreign exchange differences on translation of foreign operations	Other reserves	Retained earnings (Accumulated losses)	Total equity
As at 1 January 2025	69 288	625 736	2 571	136 588	130 520	964 703
Net profit for the period	-	-	-	-	2 039	2 039
Other comprehensive income	-	-	(327)	(307)	-	(633)
Total comprehensive income for the period	-	-	(327)	(307)	2 039	1 406
As at 31 March 2025 (unaudited)	69 288	625 736	2 245	136 281	132 559	966 109

The additional notes to the quarterly abbreviated financial statements included on pages 34 to 48 form an integral part of these statements

	Share capital	Supplementary capital	Foreign exchange differences on translation of investments in foreign entities	Other reserves	Retained earnings/Accumulated losses	Total
As at 1 January 2025	69 288	625 736	2 571	136 588	130 520	964 703
Net profit/(loss) for the period	-	-	-	-	16 052	16 052
Other comprehensive income for the period	-	-	(408)	(1 078)	-	(1 486)
Total comprehensive income for the period	-	-	(408)	(1 078)	16 052	14 566
Profit distribution	-	-	-	197 292	(197 292)	-
As at 31 December 2025	69 288	625 736	2 164	332 802	(50 720)	979 269

The additional notes to the quarterly abbreviated financial statements included on pages 34 to 48 form an integral part of these statements

Additional explanatory notes

1. General information

The Arctic Paper Group is a paper and pulp producer. We offer voluminous book paper and a wide range of products in this segment, as well as high-grade graphic paper. The Group produces numerous types of uncoated and coated wood-free paper as well as wood uncoated paper for printing houses, paper distributors, book and magazine publishing houses and the advertising industry. As at 31 March 2026, the Arctic Paper Group employs almost 1,500 people in its paper mills, companies involved in sale of paper and in pulp producing companies, procurement office and a company producing food packaging. Our Paper Mills are located in Poland and in Sweden. Pulp mills are located in Sweden. As at 31 March 2026, the Group had 13 Sales Offices ensuring access to all European markets, including Central and Eastern Europe. Our consolidated sales revenue for the three months of 2026 was PLN 814 million.

Arctic Paper Spółka Akcyjna is a holding company set up in April 2008. As a result of capital restructuring carried out in 2008, the Paper Mills Arctic Paper Kostrzyn (Poland) and Arctic Paper Munkedals (Sweden), Distribution Companies and sales offices became owned by Arctic Paper S.A. Previously they were owned by Arctic Paper AB (later Trebruk AB and Nemus Holding AB), the indirect Parent Company of Arctic Paper S.A. In addition, as part of its expansion, the Group acquired the Arctic Paper Mochenwangen mill (Germany – closed in 2015) in November 2008 and the Grycksbo mill (Sweden) in March 2010. In December 2012, the Group acquired a controlling package of shares in Rottneros AB, a company listed on NASDAQ in Stockholm, Sweden, holding interests in two pulp companies (Sweden).

The Parent Company is entered in the register of entrepreneurs of the National Court Register maintained by the District Court in Zielona Góra (Poland) – 8th Commercial Division of the National Court Register, under KRS number 0000306944. The Parent Company holds statistical number REGON 080262255.

The company's registered office is located in Poland, in Kostrzyn nad Odrą (ul. Fabryczna 1). The Company also has a foreign branch in Göteborg, Sweden.

The Quarterly Abbreviated Consolidated Financial Statements of the Company comprise statement of profit or loss, statement of comprehensive income, statement of cash flows and statement of changes in equity for the period of the first three months ended on 31 March 2026 and include comparative data for the period of first three months ended on 31 March 2025 as well as for the twelve month period ended on 31 December 2025.

The Quarterly Abbreviated Consolidated Financial Statements of the Company comprise also a statement of financial position as at 31 March 2026 and include comparative data as on 31 December 2025 and 31 March 2025.

1.1. Business activity

The principal business of the Arctic Paper Group is the production of paper and pulp.

The Group's additional business, subordinate to paper and pulp production, covers:

- Production of packaging,
- Generation of electricity,
- Transmission of electricity,
- Electricity distribution,
- Heat production,
- Heat distribution,
- Logistics services,
- Paper and pulp distribution.

1.2. Shareholding structure

Nemus Holding AB, a company under Swedish law (a company owned indirectly by Mr Thomas Onstad), is the majority shareholder of Arctic Paper S.A., holding (as at 31 March 2026) 41,374,890 shares of our Company, which constitutes 59.71% of its share capital and corresponds to 59.71% of the total number of votes at General Meetings. Thus, Nemus Holding AB is the parent company of the Issuer.

Additionally, Mr Thomas Onstad, an indirect shareholder of Nemus Holding AB, holds directly 5,323,658 shares representing 7.68% of the total number of shares in the Company, and via another entity – 600,000 shares accounting for 0.87% of the total number of shares of the Issuer. Mr Thomas Onstad's total direct and indirect shareholding in Arctic Paper S.A. amounted to 68.26% as at 31 March 2026 and remained unchanged up to the date of publication of this report.

The ultimate parent company of the Group that prepares the consolidated financial statements is Nemus Holding AB. The top owner of the Group is Mr. Thomas Onstad.

2. Composition of the Group

The Group is composed of Arctic Paper S.A. and the following subsidiaries:

Unit	Registered office	Business activity	Group's interest in the equity of the subsidiaries as at		
			12 May 2026	31 March 2026	31 December 2025
Arctic Paper Kostrzyn S.A.	Poland, Fabryczna 1, 66-470 Kostrzyn nad Odrą	Paper production	100%	100%	100%
Arctic Paper Munkedals AB	Sweden, SE 455 81 Munkedal	Paper production	100%	100%	100%
Arctic Paper Mochenwangen GmbH	Germany, Am Sandtorkai 72, D-20457 Hamburg	Non-operating company, formerly paper production	99,74%	99,74%	99,74%
Arctic Paper Grycksbo AB	Sweden, Box 1, SE 790 20 Grycksbo	Paper production	100,00%	100,00%	100,00%
Arctic Paper UK Limited	United Kingdom, 8 St Thomas Street SE1 9RR London	Trading company	100,00%	100,00%	100,00%
Arctic Paper Baltic States SIA	Latvia, K. Valdemara iela 33-20, Riga LV-1010	Trading company	100,00%	100,00%	100,00%
Arctic Paper Deutschland GmbH	Germany, Am Sandtorkai 72, D-20457 Hamburg	Trading company	100,00%	100,00%	100,00%
Arctic Paper Benelux S.A.	Belgium, Interleuvenlaan 62 bus 14, B-3001 Heverlee	Trading company	100,00%	100,00%	100,00%
Arctic Paper Schweiz AG	Switzerland, Gutenbergstrasse 1, CH-4552 Derendingen	Trading company	100,00%	100,00%	100,00%
Arctic Paper Italia srl	Italy, Via Chiaravalle 7, 20 122 Milan	Trading company	100,00%	100,00%	100,00%
Arctic Paper Danmark A/S	Denmark, Korskindelund 6 DK-2670 Greve	Trading company	100,00%	100,00%	100,00%
Arctic Paper France SAS	France, 30 rue du Chateau des Rentiers, 75013 Paris	Trading company	100,00%	100,00%	100,00%
Arctic Paper Espana SL	Spain, Avenida Diagonal 472-474, 9-1 Barcelona	Trading company	100,00%	100,00%	100,00%
Arctic Paper Papierhandels GmbH	Austria, Hainborgerstrasse 34A, A-1030 Wien	Trading company	100,00%	100,00%	100,00%

Arctic Paper Polska Sp. z o.o.	Poland, Okrężna 9, 02-916 Warszawa	Trading company	100,00%	100,00%	100,00%
Arctic Paper Norge AS	Norway, Eikenga 11-15, NO-0579 Oslo	Trading company	100,00%	100,00%	100,00%
Arctic Paper Sverige AB	Sweden, SE 455 81 Munkedal	Trading company	100,00%	100,00%	100,00%
Arctic Power Sp.z o.o. (formerly Arctic Paper East Sp. z o.o.)	Poland, Fabryczna 1, 66-470 Kostrzyn nad Odrą	Production of energy	100,00%	100,00%	100,00%
Arctic Paper Investment GmbH *	Germany, Am Sandtorkai 71, D-20457 Hamburg	Holding activities	100,00%	100,00%	100,00%
Arctic Paper Finance AB	Sweden, Box 383, 401 26 Göteborg	Holding activities	100,00%	100,00%	100,00%
Arctic Paper Investment AB **	Sweden, Box 383, 401 26 Göteborg	Holding activities	100,00%	100,00%	100,00%
Munkedals Kraft AB	Sweden, 455 81 Munkedal	Production of hydropower	100,00%	100,00%	100,00%
Kostrzyn Packaging Sp. z o.o.	Poland, ul. Fabryczna 1, 66-470 Kostrzyn nad Odrą	Production of packaging	77,51%	77,51%	77,51%
Rottneros AB	Sweden, Söderhamn	Holding activities	55,02%	55,02%	55,02%
Rottneros Bruk AB	Sweden, Rottneros	Pulp production	55,02%	55,02%	55,02%
Utansjö Bruk AB	Sweden, Söderhamn	Non-operating company	55,02%	55,02%	55,02%
Vallviks Bruk AB	Sweden, Vallvik	Pulp production	55,02%	55,02%	55,02%
Nykvist Skogs AB	Sweden, Gräsmark	Company grouping forest owners	55,02%	55,02%	55,02%
Rottneros Packaging AB	Sweden, Sunne	Production of food packaging	55,02%	55,02%	55,02%
SIA Rottneros Baltic	Latvia, Kuldīga	Procurement bureau	55%	55%	55%
Project Frost APM AB	Sweden, SE 455 81 Munkedal	Energy storage	100%	100%	100%
Project Frost APG AB	Sweden, SE 455 81 Munkedal	Energy storage	100%	100%	100%
Arctic Paper Fiber Solutions, INC.***	USA, Corporation Trust Center 1209 Orange Street, City of Wilmington, County of New Castle State of Delaware 19801	Trading company	100%	100%	100%

* – companies established for the purpose of the acquisition of Arctic Paper Mochenwangen GmbH

* – companies established for the purpose of the acquisition of Arctic Paper Mochenwangen GmbH

** – company established to acquire Grycksbo Paper Holding AB (closed in 2015) and indirectly Arctic Paper Grycksbo AB

As at 31 March 2026, and as well as on the day hereof, the percentage of voting rights held by the Group in its subsidiaries corresponded to the percentage held in the share capital of those entities. All subsidiaries within the Group are consolidated under the full method from the day of obtaining control by the Group and cease to be consolidated from the day the control has been transferred out of the Group.

3. Management and supervisory bodies

3.1. Management Board of the Parent Company

As at 31 March 2026, the Parent Company's Management Board was composed of:

- Michał Jarczyński – President of the Management Board appointed on 10 December 2018 with effect from 1 February 2019;
- Katarzyna Wojtkowiak – Member of the Management Board appointed on 29 May 2023;
- Fabian Langenskiöld – Member of the Management Board appointed on 14 August 2023.

Until the date hereof, there were no changes to the composition of the Management Board of the Parent Company.

3.2. Supervisory Board of the Parent Company

As at 31 March 2026, the Parent Company's Supervisory Board was composed of:

- Per Lundeen – Chair of the Supervisory Board appointed on 22 September 2016 (appointed to the Supervisory Board on 14 September 2016);
- Roger Mattsson – Deputy Chair of the Supervisory Board appointed on 22 September 2016 (appointed as a Member of the Supervisory Board on 14 September 2014);
- Thomas Onstad – Member of the Supervisory Board appointed on 22 October 2008;
- Zofia Dzik – Member of the Supervisory Board appointed on 22 June 2021;
- Anna Jakubowski – Member of the Supervisory Board appointed on 22 June 2021.

Until the date hereof, there were no changes to the composition of the Supervisory Board of the Parent Company.

3.3. Audit Committee of the Parent Company

As at 31 March 2026, the Parent Company's Audit Committee was composed of:

- Anna Jakubowski – Chairperson of the Audit Committee appointed on 22 June 2021 (appointed as Member of the Audit Committee on 5 August 2021);
- Zofia Dzik – Member of the Audit Committee appointed on 22 June 2021 (appointed as Member of the Audit Committee on 5 August 2021);
- Roger Mattsson – Audit Committee Member appointed on 14 September 2014 (appointed as Audit Committee Member on 23 June 2016).

Until the date hereof, there were no changes in the composition of the Audit Committee of the Parent Company.

4. Approval of the financial statements

These Abbreviated Consolidated Financial Statements were approved for publication by the Management Board on 12 May 2026.

5. Accounting principles

5.1. Basis of preparation of the consolidated financial statements

These abbreviated consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as endorsed by the EU ("EU IFRS"), in particular International Accounting Standard 34.

These abbreviated consolidated financial statements have been presented in Polish zloty ("PLN") and all values are rounded to the nearest thousand (PLN '000) except as stated otherwise.

These Abbreviated Consolidated Financial Statements have been prepared based on the assumption that the Group companies will continue as a going concern in the foreseeable future.

The abbreviated consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended on 31 December 2025.

5.2. Changes in applied accounting policies

The accounting policies applied in the preparation of the financial statements are consistent with those applied in the preparation of the Company's financial statements for the year ended 31 December 2025.

The Company did not decide to adopt earlier other standards, interpretations or amendments that were issued but are not yet effective for periods commencing on 1 January 2025.

5.3. New and amended standards and interpretations applied

New standards and amendments to existing standards that come into force in 2025 have been applied in these financial statements:

a) Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates"

In August 2023 the Board published amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates". The changes introduced are intended to make it easier for entities to determine whether a currency is convertible into another currency and to estimate the spot exchange rate when a currency is not convertible. In addition, the amendments to the standard require additional disclosures in the case of non-convertibility on how the alternative exchange rate was determined.

These changes have no impact on these financial statements.

5.4. New standards and interpretations that have been published and are not yet effective

In these financial statements, the Group has not decided to early apply the following published standards, interpretations or amendments to existing standards before their effective date:

a) Changes in the classification and measurement of financial instruments – Amendments to IFRS 9 and IFRS 7

IFRS In May 2024, the IASB published amendments to IFRS 9 and IFRS 7 aimed at:

— clarify the recognition and derecognition dates for certain financial assets and liabilities, with an exemption for certain financial liabilities settled through electronic funds transfer.

clarify and add further guidance on assessing whether a financial asset meets the SPPI criteria;

— add new disclosures for certain instruments whose contractual terms may alter cash flows; and

— update disclosures on equity instruments measured at fair value through other comprehensive income (FVOCI).

The published amendments are effective for financial statements for periods beginning on or after 1 January 2026.

b) Annual Improvements to IFRS

"Annual Improvements to IFRS" introduces changes to the standards: IFRS 1 "First-time Adoption of International Financial Reporting Standards", IFRS 7 "Financial Instruments: Disclosures", IFRS 9 "Financial Instruments", IFRS 10 "Consolidated Financial Statements" and IAS 7 "Statement of Cash Flows". The amendments provide clarifications and clarify the standards' guidance on recognition and measurement. The published amendments are effective for financial statements for periods beginning on or after 1 January 2026.

c) Contracts relating to electricity dependent on natural factors: Amendments to IFRS 9 and IFRS 7

In December 2024, the Board published the amendments to help companies better recognise the financial effects of contracts relating to natural dependent electricity, which are often in the form of power purchase agreements (PPAs). The current guidance may not fully capture the impact of these contracts on the company's performance. To enable companies to better reflect these contracts in their financial statements, the Board has amended IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: disclosures. These changes include:

clarifying the application of the "own use" criterion;

- allowing hedge accounting where these contracts are used as hedging instruments;
- adding new disclosures to enable stakeholders to understand the impact of these contracts on financial performance and cash flows.

The published amendments are effective for financial statements for periods beginning on or after 1 January 2026.

d) IFRS 18 "Presentation and Disclosures in Financial Statements"

In April 2024, the Board published the new standard IFRS 18 "Presentation and Disclosures in Financial Statements". The standard is intended to replace IAS 1 – Presentation of Financial Statements and will be effective from 1 January 2027. The changes to the superseded standard mainly concern three issues: the statement of profit or loss, required disclosures about performance measures and issues related to the aggregation and disaggregation of information contained in financial statements.

The published standard will be effective for financial statements for periods beginning on or after 1 January 2027. As at the date of these consolidated financial statements, the modifications have not yet been approved by the European Union.

e) IFRS 19 "Subsidiaries Without Public Accountability: Disclosure of Information"

In May 2024, the Board issued a new accounting standard, IFRS 19, which can be adopted by certain subsidiaries applying IFRS accounting standards to improve the effectiveness of disclosures in their financial statements. The new standard introduces simplified and limited disclosure requirements. As a result, the qualifying subsidiary applies the requirements of other IFRS accounting standards with the exception of the disclosure requirements and instead applies the limited disclosure requirements of IFRS 19.

Eligible subsidiaries are entities that are not subject to so-called public accountability as defined in the new standard. In addition, IFRS 19 requires the ultimate or intermediate parent of the entity to prepare publicly available consolidated financial statements in accordance with IFRS Accounting Standards.

Eligible entities may choose to apply the guidance of the new IFRS 19 for financial statements prepared for periods beginning on or after 1 January 2027.

At the date of these financial statements, these amendments have not yet been approved by the European Union.

f) IFRS 19 "Subsidiaries Without Public Accountability: Disclosure of Information"

In August 2025 the Board published amendments to IFRS 19 to support qualifying subsidiaries by reducing the disclosure requirements for standards and amendments to standards issued between February 2021 and May 2024. The amendments include the following standards: IFRS 18: Presentation and Disclosures in Financial Statements; Amendments to IAS 7 and IFRS 7 – Supplier Financing Arrangements; Amendments to IAS 12 – International Tax Reform; Amendments to IAS 21 – Non-convertibility of Currencies; Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments.

With these changes, IFRS 19 incorporates all updates to IFRS standards that will be effective from 1 January 2027, the effective date of IFRS 19.

At the date of these financial statements, these amendments have not yet been approved by the European Union

- g) Amendments to IAS 21 “The effects of changes in foreign exchange rates – translation into the presentation currency in a hyperinflationary environment”.

The International Accounting Standards Board announced in November 2025 amendments that clarify how companies should convert financial statements from a non-hyperinflationary currency to a hyperinflationary currency.

These narrow scope changes aim to improve the usability of the information obtained in a cost-effective manner. Developed in response to stakeholder feedback, the changes are intended to reduce diversity of practice and provide a clearer basis for reporting in a hyperinflationary currency.

The amendments to IAS 21 “The Effects of Changes in Foreign Exchange Rates” will be effective for annual periods beginning 1 January 2027. The Company may elect to apply them early.

At the date of these financial statements, these amendments have not yet been approved by the European Union.

- h) IFRS 14 “Regulatory Accruals and deferred income”

This standard allows entities that prepare their financial statements in accordance with IFRS for the first time (on or after 1 January 2016) to recognise amounts arising from price-regulated activities in accordance with existing accounting policies. To improve comparability, with entities that already apply IFRS and do not report such amounts, under published IFRS 14, amounts arising from regulated price activities should be presented as a separate line item in both the statement of financial position and the statement of profit or loss and statement of other comprehensive income.

By a decision of the European Union, IFRS 14 will not be endorsed.

- i) Amendments to IFRS 10 and IAS 28 on the sale or contribution of assets between an investor and its associates or joint ventures

The amendments resolve the current inconsistency between IFRS 10 and IAS 28. The accounting treatment depends on whether the non-monetary assets sold or contributed to the associate or joint venture constitute a “business”.

Where non-monetary assets constitute a “business”, the investor shows a full profit or loss on the transaction. If the assets do not meet the definition of a business, the investor recognises a gain or loss only to the extent of the interests held by other investors.

The amendments were published on 11 September 2014. At the date of these consolidated financial statements, approval of this amendment is deferred by the European Union.

At the date of approval of these financial statements for publication, the Company does not plan to implement IFRS 18 early and is in the process of analysing the impact of this standard on the financial statements. The implementation of the standard will change the layout of the statement of profit and loss and reclassify certain items to financing or investing activities.

5.5. Foreign currency translation

Transactions denominated in currencies other than the functional currency of the entity are translated into the presentation currency at the foreign exchange rate prevailing on the transaction date.

On the balance sheet date, monetary assets and liabilities expressed in currencies other than the functional currency of the entity are translated into the functional currency using the mean foreign exchange rate prevailing for the presentation currency as at the end of the reporting period. Foreign exchange differences from translation are recognised under finance income or finance costs or are capitalised as cost of assets, as defined in the accounting policies. Non-monetary foreign currency assets and liabilities recognised at historical cost are translated at the historical foreign currency rates prevailing on the transaction date. Non-monetary assets and liabilities denominated in a currency other than the functional currency, recognised at fair value are translated into the functional currency using the rate of exchange prevailing on the date of revaluation to fair value.

The functional currencies of the foreign subsidiaries are EUR, SEK, DKK, NOK, GBP and CHF. As on the balance sheet date, the assets and liabilities of those subsidiaries are translated into the presentation currency of the Group (PLN) at the rate of exchange prevailing on the balance sheet date and their statements of profit or loss are translated using the average weighted exchange rates for the relevant reporting period. The foreign exchange differences on translation are recognised in other comprehensive income and cumulated in a separate equity item. On disposal of a foreign operation, the cumulative amount of the deferred exchange differences recognised in equity and relating to that particular foreign operation shall be reclassified to profit or loss.

Foreign exchange differences on loans treated in compliance with IAS 21 as investments in subsidiaries are recognised in the consolidated financial statements in other comprehensive income.

The following exchange rates were used for book valuation purposes:

	As at 31 March 2026	As at 31 December 2025
USD	3,7408	3,8643
EUR	4,2894	4,1839
SEK	0,3920	0,3866
DKK	0,5740	0,5608
NOK	0,3824	0,3676
GBP	4,9426	5,0020
CHF	4,6764	4,3875

Mean currency exchange rates for the reporting periods are as follows:

	01.01 – 31.03.2026	01.01 – 31.03.2025
USD	3,6199	3,9931
EUR	4,2352	4,2013
SEK	0,3960	0,3741
DKK	0,5669	0,5632
NOK	0,3723	0,3606
GBP	4,8777	5,0268
CHF	4,6210	4,4418

6. Seasonality

The Group's activities are not of seasonal or cyclical nature. Therefore, the results presented by the Group do not change significantly during the year or a cycle.

7. Operational segments

Operational segments cover continuing activities. The Group's principal activity is the production of paper and pulp.

The paper production business includes the financial results of three paper mills, among others:

- Arctic Paper Kostrzyn S.A. (Poland) – produces high-quality uncoated graph paper under the Amber brand;
- Arctic Paper Munkedals AB (Sweden) – produces high quality uncoated graphic paper under the Munken brand;
- Arctic Paper Grycksbo (Sweden) – production of coated wood-free paper under the brands of G-Print and Arctic.

The pulp business is presented as the "Pulp" segment and includes, among other things, two pulp plants:

- Rottneros mill (Sweden) – produces mechanical fibre pulp: chemi-thermo mechanical pulp (CTMP), production level of about 160,000 tonnes annually;
- the pulp mill in Vallvik (Sweden) produces two types of long-fibre sulphate pulp: fully bleached sulphate pulp and unbleached sulphate pulp. The most of Vallvik pulp mill production is known as NBSK pulp. Production level of about 240,000 tonnes annually.

The Group identifies the following business segments:

- Paper – this segment includes uncoated and coated papers. Uncoated paper – paper for printing or other graphic purposes, including wood-free and wood-containing paper. Uncoated wood-free paper may be produced from various types of pulp, with different filler content, and can undergo various finishing processes, such as surface sizing and calendering. Two main categories of this type of paper are graphic paper (used for example for printing books and catalogues) and office papers (for instance, photocopy paper); however, the Group currently does not produce office paper. Uncoated wood paper from mechanical pulp intended for printing or other graphic purposes. That type of paper is used to print magazines with rotogravure and offset techniques. The Group's products in this segment are usually used for printing paperbacks, Coated paper – wood-free paper for printing or other graphic purposes, one-side or two-side coated with mixtures containing mineral pigments, such as china clay, calcium carbonate, etc. The coating process can involve different methods, both online and offline, and can be supplemented by super-calendering to ensure a smooth surface. Coating improves the quality of printed photos and illustrations.
- Pulp – fully bleached sulphate pulp and unbleached sulphate pulp which is used mainly for the production of printing and writing papers, cardboard, toilet paper and white packaging paper as well as chemi-thermo mechanical pulp (CTMP), which is mainly used in the production of printing and writing paper.

The exclusions include the exclusions of turnover and settlements between segments and the results of operations of Arctic Paper S.A. and Arctic Paper Finance AB.

The split of operating segments into the paper and pulp is due to the following factors:

- Demand for products and their supply as well as the prices of products sold in the market are affected by operational factors characteristic for each segment, such as e.g. the production capacity level in the paper and pulp segment.
- The key operating parameters such as inflow of orders or the level of production costs are determined by the factors that are similar for each paper and pulp segment.
- The products manufactured at the Paper Mills operated by the Group may (with certain restrictions) be allocated to production in other entities within the same paper segment, which to a certain extent distorts the financial results generated by each Paper Mill.
- The results of the Arctic Paper Group are under the pressure of global market trends with respect to the prices of paper and pulp, and to a lesser extent are subject to the specific conditions of the production entities.

Every month, on the basis of internal reports received from companies (apart from companies of the Rottneros Group), the results in each operating segment are analysed by the management of the Group. The financial results of companies in the Rottneros Groups are analysed on the basis of quarterly financial results published on the websites of Rottneros AB.

The operating results are measured primarily on the basis of EBITDA calculated by adding depreciation/amortisation and impairment loss on property, plant and equipment and intangible assets to operating profit/(loss), in each case in compliance with EU IFRS. In accordance with EU IFRS, EBITDA is not a metric of operating profit/(loss), operational results or liquidity. EBITDA is a metric that the Management Board uses to manage the operations.

Transactions between segments are concluded at arms' length like between unrelated parties.

The table below presents data concerning revenue and profit as well as certain assets and liabilities split by segments of the Group for the period of 3 months ended on 31 March 2026 and as at 31 March 2026.

3-month period ended on 31 March 2026 and as at 31 March 2026

	Paper	Pulp	Total	Exclusions	Total continuing operations
Revenue					
Sales to external customers	573 394	240 597	813 991	-	813 991
Sales between segments	-	5 545	5 545	(5 545)	-
Total segment revenue	573 394	246 141	819 535	(5 545)	813 991
Result of the segment					
EBITDA	21 823	(14 174)	7 649	(5 085)	2 564
Depreciation/amortisation	(23 821)	(14 907)	(38 728)	-	(38 728)
Operating profit/(loss)	(1 998)	(29 081)	(31 079)	(5 085)	(36 164)
Interest income	101	88	189	-	189
Interest expense	(1 384)	(2 972)	(4 356)	-	(4 356)
Other financial income	2 564	-	2 564	2	2 566
Foreign currency losses and other finance costs	(342)	(26)	(367)	-	(367)
Gross profit	(1 059)	(31 991)	(33 050)	(5 083)	(38 132)
Assets of the segment	1 804 329	880 444	2 684 774	(1 132)	2 683 642
Liabilities of the segment	571 081	365 540	936 621	65 507	1 002 128
Capital expenditures	(38 037)	(2 772)	(40 810)	-	(40 810)
Investments in joint ventures	5 213	-	5 213	-	5 213

- Revenue from inter-segment transactions is eliminated on consolidation.
- The results of the segments do not cover finance income (PLN 2,755 thousand of which PLN 189 thousand is interest income) and finance costs (PLN 4,723 thousand of which PLN 4,356 thousand is interest expense), depreciation/amortisation (PLN 38,728 thousand), and income tax liability (PLN 4,619 thousand).
- Segment assets do not include deferred tax (PLN 6,926 thousand), as this item is managed at the Group level and interests in joint ventures (PLN 5,213 thousand) as well as Shares in subsidiaries. Segment liabilities do not include deferred tax (PLN 70,268 thousand), as this item is managed at the Group level.

The table below presents data concerning revenue and profit as well as certain assets and liabilities split by segments of the Group for the period of 3 months ended on 31 March 2025 and as at 31 March 2025.

3-month period ended on 31 March 2025 and as at 31 March 2025

	Paper	Pulp	Total	Exclusions	Total continuing operations
Revenue					
Sales to external customers	578 783	243 987	822 770	-	822 770
Sales between segments	-	-	-	-	-
Total segment revenue	578 783	243 987	822 770	-	822 770
Result of the segment					
EBITDA	35 655	(10 039)	25 982	(3 126)	22 856
Depreciation/amortisation	(20 861)	(12 143)	(33 004)	(108)	(33 112)
Operating profit/(loss)	15 160	(22 182)	(7 022)	(3 234)	(10 256)
Interest income	927	67	994	357	1 351
Interest expense	(1 311)	(2 635)	(3 946)	858	(3 088)
Foreign currency gains and other finance income	-	-	-	-	-
Foreign currency losses and other finance costs	(186 354)	(24)	(186 378)	170 399	(15 980)
Gross profit	(171 579)	(24 774)	(196 353)	168 381	(27 972)
Assets of the segment	1 908 174	1 130 096	3 038 270	(180 886)	2 857 384
Liabilities of the segment	762 157	461 121	1 223 278	(238 073)	985 204
Capital expenditures	(60 089)	(13 977)	(74 066)	-	(74 066)
Investments in joint ventures	5 168	-	5 168	-	5 168

- Revenue from inter-segment transactions is eliminated on consolidation.
- The results of the segments do not cover finance income (PLN 1,351 thousand of which PLN 1,351 thousand is interest income) and finance costs (PLN 19,067 thousand of which PLN 3,088 thousand is interest expense), depreciation/amortisation (PLN 33,112 thousand), and income tax liability (PLN 3,720 thousand).
- Segment assets do not include deferred tax (PLN 6,232 thousand), as this item is managed at the Group level and interests in joint ventures (PLN 5,168 thousand). Segment liabilities do not include deferred tax (PLN 105,069 thousand), as this item is managed at the Group level.

The table below presents data concerning revenue and profit as well as certain assets and liabilities split by segments of the Group for the period of 12 months ended on 31 December 2025 and as at 31 December 2025.

12-month period ended on 31 December 2025 and as at 31 December 2025

	Paper	Pulp	Total	Total continuing operations
Revenue				
Sales to external customers	2 224 339	973 255	3 197 595	3 197 595
Total segment revenue	2 224 339	973 255	3 197 595	3 197 595
Result of the segment				
EBITDA	120 367	(79 848)	40 519	40 519
Depreciation/amortisation	(88 195)	(106 102)	(194,297)	(194 297)
Operating profit/(loss)	32 172	(185 950)	(153 778)	(153 778)
Interest income	3 147	691	3 837	3 837
Interest expense	(3 500)	(10 831)	(14 331)	(14 331)
Foreign exchange gains and other financial expenses	8	561	569	569
Foreign currency losses and other finance costs	(35 049)	(12 341)	(47 390)	(47 390)
Gross profit	(3 222)	(207 870)	(211 093)	(211 093)
Assets of the segment	1 655 954	1 008 336	2 664 289	2 664 289
Liabilities of the segment	508 747	397 567	906 314	906 314
Capital expenditures	(237 516)	(63 213)	(300 730)	(300 730)
Investments in joint ventures	5 203	-	5 203	5 203

- Revenue from inter-segment transactions is eliminated on consolidation.
- The results of the segments do not cover finance income (PLN 4,406 thousand, of which PLN 3,837 thousand is interest income) and finance costs (PLN 61,721 thousand, of which PLN 14,331 thousand is interest expense and PLN 36,229 thousand is foreign exchange loss), depreciation and amortisation (PLN 194,297 thousand), as well as income tax charges (+PLN 35,725 thousand).
- Segment assets do not include deferred tax (PLN 6,913 thousand), as this item is managed at the Group level and interests in joint ventures (PLN 5,203 thousand).
- Segment liabilities do not include deferred tax (PLN 72,650 thousand), as this item is managed at the Group level.

8. Dividends paid and proposed

Dividends are paid based on the net profit disclosed in the separate annual financial statements of Arctic Paper S.A. after covering losses carried forward from the previous years.

As on the date hereof, the Company had no preferred shares.

The possibility of disbursement of potential dividend by the Company to its shareholders depends on the level of payments received from its subsidiaries. The risk associated with the Company's ability to disburse dividend was described in the part "Risk factors" of the annual report for 2025.

In connection with the investment loan and revolving loan agreements signed on 31 October 2025, the Parent Company's ability to pay dividends is subject to the Group meeting certain financial ratio in the period prior to payment (as defined in the

term in the term loan and revolving loan agreement) and the absence of an event of default (as defined in the term in the term loan and revolving loan agreement).

The Company did not pay a dividend in 2025.

On 19 February 2026, the Management Board of Arctic Paper S.A. decided to temporarily suspend the application of the provisions of the dividend policy with regard to the payment of dividends for 2025, adopted pursuant to the Management Board' resolution of 11 July 2022, and will not recommend to the Company's General Meeting the payment of dividends.

9. Earnings per share

Earnings per share are established by dividing the net profit (loss) or net profit (loss) from continuing operations for the reporting period attributable to the Company's ordinary shareholders by the weighted average number of ordinary shares outstanding in the reporting period.

Information regarding profit and the number of shares which constituted the base to calculate earnings per share and diluted earnings per share is presented below:

	3-month period ended on 31 March 2026 (unaudited)	3-month period ended on 31 March 2025 (unaudited)	Year ended on 31 December 2025
Net profit/(loss) period from continuing operations attributable to the shareholders of the Parent Company	(21 384)	(13 423)	(99 681)
Net profit/(loss) attributable to the shareholders of the Parent Company	(21 384)	(13 423)	(99 681)
Total number of shares	69 287 783	69 287 783	69 287 783
Weighted average number of shares	69 287 783	69 287 783	69 287 783
Diluted weighted average number of ordinary shares	69 287 783	69 287 783	69 287 783
Profit/(loss) per share (in PLN)			
– basic earnings from the profit/(loss) for the period attributable to the shareholders of the Parent Company	(0,31)	(0,19)	(1,44)
Diluted profit/(loss) per share (in PLN)			
– from the profit/(loss) for the period attributable to the shareholders of the Parent Company	(0,31)	(0,19)	(1,44)

10. Interest-bearing bank loans and borrowings and lease contracts

On 26 March 2026, Rottneros AB entered into an addendum to the loan agreement with Danske Bank, originally concluded in December 2024 for a period of three years. The annex adapts the financing terms to the current financial situation of the company and the Rottneros Group as a whole. Under it, the company has been allowed an additional SEK 75 million under its revolving credit facility (RCF), over and above the existing limit of SEK 225 million. In addition, the document introduces updated financial covenants and is set to last until the end of April 2027. As part of the addendum concluded, Rottneros has pledged security over its entire shareholding in Vallviks Bruk AB and Nykvist Skogs AB.

In the period covered by this report, the Group made partial repayments of its loan debt with Danske Bank in the total amount of PLN 84 thousand and Nordea Bank Abp in the amount of PLN 198 thousand. The Group increased its indebtedness due to

the disbursement of a further tranche of the investment loan from Bank Pekao S.A. in the amount of PLN 25,879 thousand and the Rottneros Group taking out a working capital overdraft in the amount of PLN 2,082 thousand.

As a result of the Rottneros Group signing an annex to the loan agreement, including the new terms of the loan covenants, part of the current liabilities have been re-presented as non-current liabilities.

The other changes to loans as at 31 March 2026, compared with 31 December 2025 result mainly from balance sheet evaluation and payment of interest accrued as at 31 December 2025 and paid in Q1 2026.

11. Issued share capital

There were no changes in share capital as at 31 March 2026 compared to 31 December 2025.

12. Contingent liabilities and contingent assets

As at 31 March 2026, the Capital Group reported:

— a bank guarantee in favour of Skatteverket Ludvika for SEK 135 thousand (PLN 53 thousand).

13. Legal claims

Arctic Paper S.A. and its subsidiaries are not a party to any legal cases filed in court against them.

14. Final events after the end of the reporting period.

There were no other significant events after the end of the reporting period, not included in this report, which could have a material impact on the Group's financial position.

Signatures of the Members of the Management Board

Position	First and last name	Date	Signature
President of the Management Board CEO	Michał Jarczyński	12 May 2026	signed with a qualified electronic signature
Member of the Management Board CFO	Katarzyna Wojtkowiak	12 May 2026	signed with a qualified electronic signature
Member of the Management Board Vice-President for Sales and Marketing	Fabian Langenskiöld	12 May 2026	signed with a qualified electronic signature

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