

**PRESS RELEASE**Kostrzyn nad Odra / Gothenburg, May 12th, 2026

Arctic Paper S.A., Q1 2026:

Focus on margin recovery and cost discipline

- Q1 consolidated sales revenue was PLN 814,0mn (EUR¹ 192,2mn).
- EBITDA Q1 was PLN 2,6mn (EUR¹ 0,6mn).
- EBIT Q1 was PLN -36,2mn (EUR¹ -8,5mn) and net profit PLN -33,5mn (EUR¹ -7,9mn).
- Paper segment cost reduction programme expected to contribute appr. PLN 6 million in 2026.
- For the pulp segment, an amendment and restatement of the existing loan facility was signed.
- After the period, paper price increases of 5–7% were implemented from April, and further price increases of 4–8% were announced, effective from 1 June 2026.
- Commercial production commenced at the new pellet facility at the Grycksbo mill.

“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.”

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

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

PLN (million)	Q1 2026	Q1 2025	Change	Q4 2025
Sales revenue, Arctic Paper Group	814,0	822,8	-8,8	745,1
Sales revenue, Arctic Paper (paper segment)	573,4	578,8	-5,4	517,9
EBITDA, Arctic Paper Group	2,6	22,9	-20,3	-21,3
EBITDA, Arctic Paper (paper segment)	21,8	32,6	-10,8	35,8
EBIT, Arctic Paper Group	-36,2	-9,8	-26,4	-59,9
EBIT, Arctic Paper (paper segment)	-2,0	12,0	-14,0	12,7
Net profit, Arctic Paper Group	-33,5	-23,8	-9,7	-75,4
Net profit, Arctic Paper (paper segment)	-9,4	-4,0	-5,4	-3,7
Net profit, PLN per share ²	-0.31	1.19	-1.50	-0.62
Net debt, Arctic Paper Group	229,0	145,1	83,9	146,7
Net debt/EBITDA (paper segment)	0.62	-0.45	1.07	-0.01

Arctic Paper Group consists of Arctic Paper S.A. (parent company), Arctic Paper mills (paper segment) and pulp producer Rottneros AB, in which Arctic Paper S.A. holds a 55 percent stake.

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

² Net profit per share: net profit for the paper segment plus 55% of the net profit for Rottneros divided by the number of shares.

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

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“Supported by a solid balance sheet, the Group retains financial stability in a tough market environment.”

Michał Jarczyński, CEO of Arctic Paper S.A.

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.

Michał Jarczyński, CEO of Arctic Paper S.A.

Financial calendar 2026: Q2 2026: August 11th, Q3 2026: November 5th

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