



Preliminary financial results

Q4 2024



ARCTIC PAPER

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**THIS PRESENTATION
CONTAINS
PRELIMINARY
FINANCIAL
RESULTS FOR Q4 2024.**

Agenda

1 Paper

2 Pulp

3 Packaging

4 Energy

5 Financial performance

6 Focus

SUMMARY PRELIMINARY Q4 2024

Arctic Paper Group Q4 2024 vs. Q4 2023

Net sales
(PLN mn)

810.8
(Q4 2024) / **825.9**
(Q4 2023)

EBITDA
(PLN mn)

38.8
(Q4 2024) / **96.3**
(Q4 2023)

Net debt/EBITDA*

-0.01x
(EOP Q4 2024) / **-0.73x**
(EOP Q4 2023)

- last 12 months

SUMMARY PRELIMINARY YTD DEC 2024

Arctic Paper Group YTD DEC 2024 vs. YTD DEC 2023

Net sales
(PLN mn)

3 434.7 / **3 549.2**
(YTD DEC 2024) / (YTD DEC 2023)

EBITDA
(PLN mn)

298.6 / **475.3**
(YTD DEC 2024) / (YTD DEC 2023)

Paper/Pulp EBITDA
(PLN mn)

243/55 / **376/99**
(YTD DEC 2024) / (YTD DEC 2023)

Net debt/EBITDA*

-0.01x / **- 0.73x**
(EOP DEC 2024) / (EOP DEC 2023)

* last 12 months



PAPER

MARKET DATA

Fine paper average market prices

DEC 2024 COMPARED TO SEP 2024

UWF average price change **-1,2%**

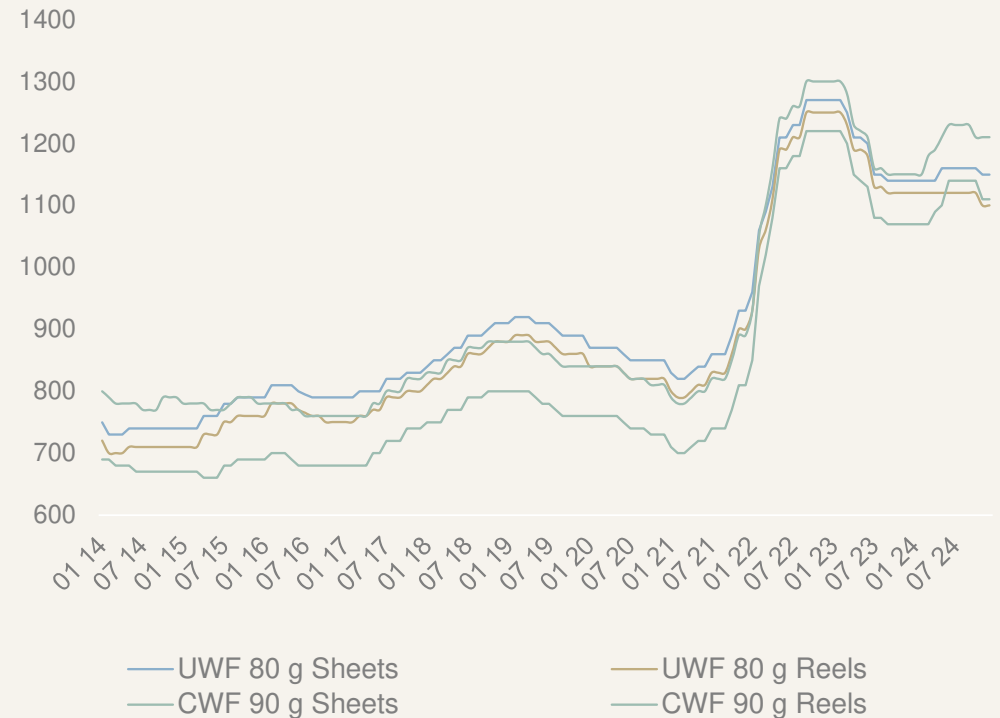
CWF average price change **-1,8%**

DEC 2024 COMPARED TO DEC 2023

UWF average price change **-0,2%**

CWF average price change **2,2%**

GRAPHIC FINE PAPER PRICES – GERMAN MARKET



Source: Arctic Paper based on RISI data.

OPERATING DATA

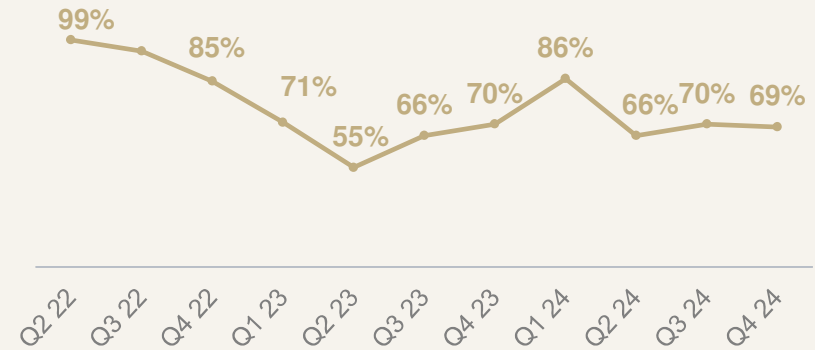
Average YTD 2024 use of production capacity: **75%**

17% HIGHER THAN AVERAGE YTD 2023

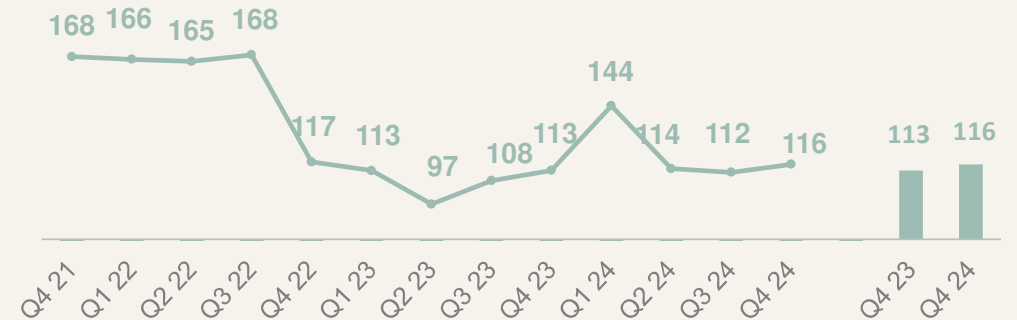
Q4 2024 total sales volume: **116k tons**

3% HIGHER THAN IN Q4 2023

PRODUCTION CAPACITY FOR ARCTIC PAPER MILLS



PAPER SALES VOLUME



OPERATING DATA

Total revenue Q4 2024 (PLN 576mn)

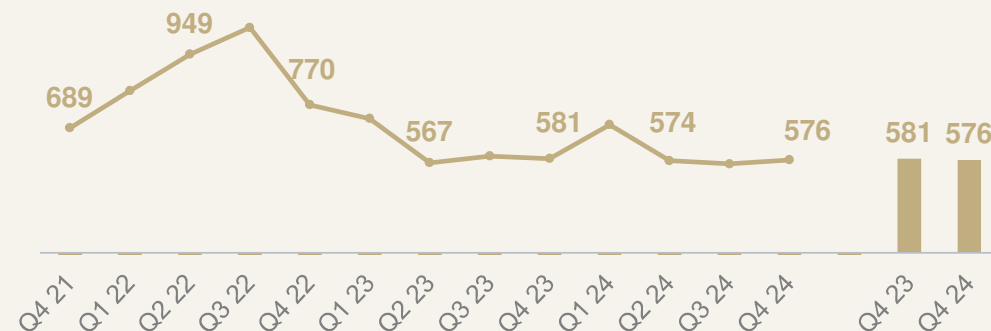
INCREASED BY 3% COMPARED TO Q3 2024

Average price Q4 2024 (PLN 4.97k)

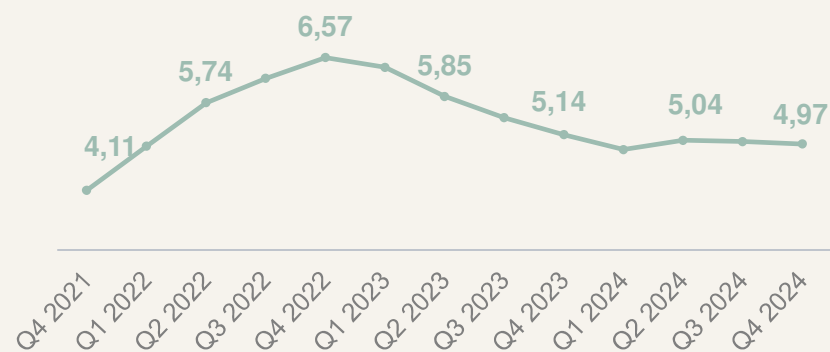
DECREASED BY 1% COMPARED TO AVERAGE IN Q3 2024

* price chart includes impact of fx fluctuations, product mix and market mix

PAPER SALES REVENUE (PLN mn)



PAPER SALES REVENUE PER TONNE (PLN k)*



PRODUCTS

AMBER

ADVANCED OFFSET
PRODUCTION
IN HEART OF EUROPE



MOST COMPLETE MATT
COATED PAPER ASSORTMENT



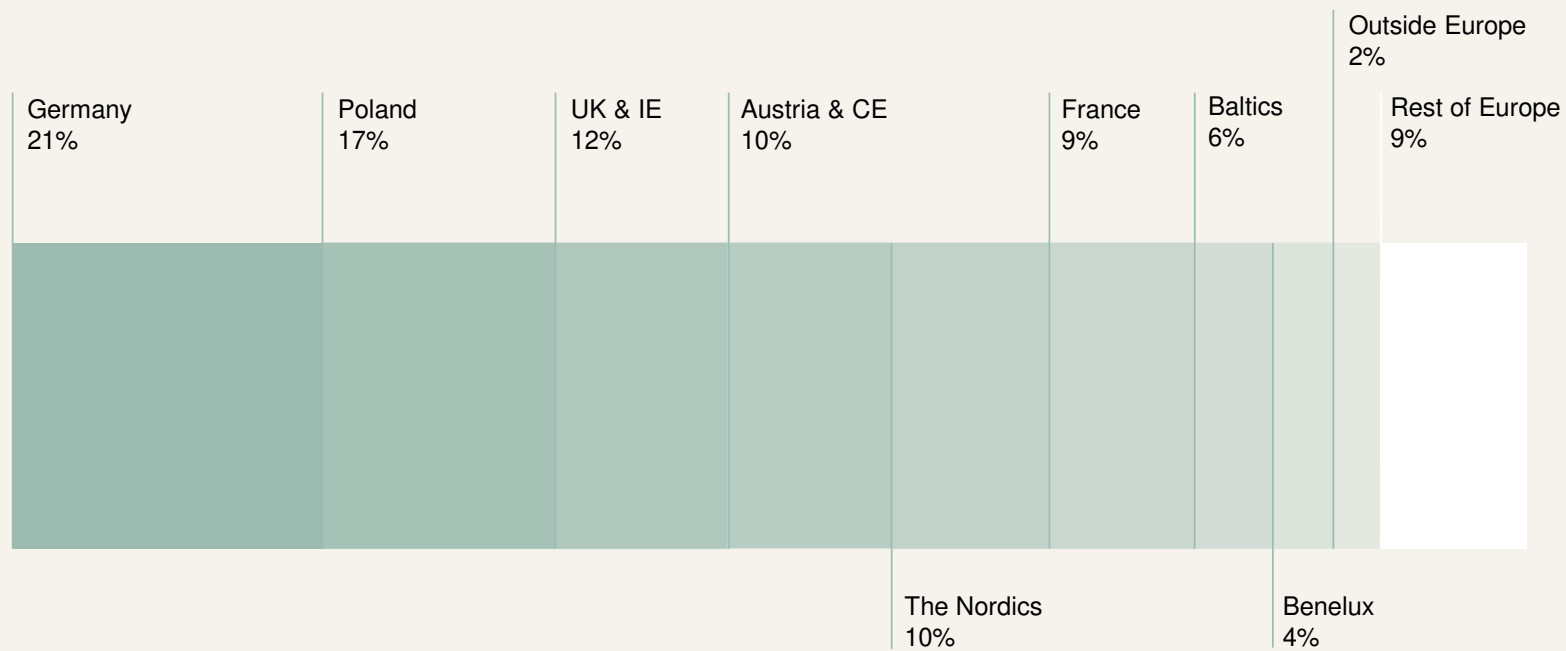
MUNKEN

BIGGEST UNCOATED
DESIGN BRAND

- Top 3 brands in revenue share
- No 1 in European High Quality Bookpaper Sales
- No 1 in European Design Paper Sales

PRODUCTS

Geographical split of sales



CLIENT STRUCTURE

Market segments/products portfolio/target groups

BUYING CUSTOMERS

Printing Houses

Clients who purchase the Group's paper products directly.

Merchants

Direct customers who purchase, stock and distribute the Group's paper for resale to other users.

Publishers

Direct and indirect customers, who uses the Group's paper products for use in their publication activities, i.e., Random House, Bonniers, Hachette, Holtzbrinck, etc.



NON-BUYING CUSTOMERS

Brand Owners

Predominantly indirect customers, who use our products, i.e., Deutsche Bank, Karl Lagerfeld, Kenzo, L'Oreal, Louis Vuitton, Nike, Mercedes Benz, etc.

Creatives

Predominantly indirect customers but are of significant importance in requiring and recommending our products to end users.



PULP

MARKET DATA

Pulp – European pulp prices

AVERAGE PRICE Q4 2024 COMPARED TO Q4 2023

NBSK (long fiber): **28% higher**

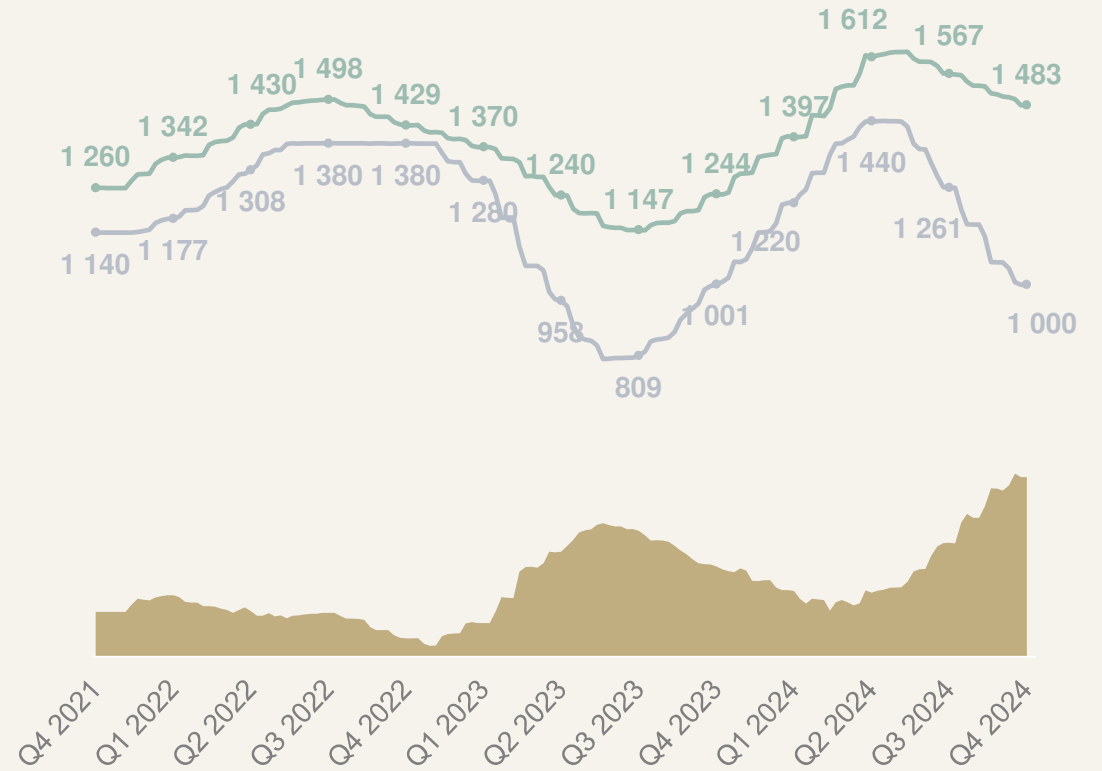
BHKP (short fiber): **21% higher**

AVERAGE PRICE Q4 2024 COMPARED TO Q3 2024

NBSK (long fiber): **5% lower**

BHKP (short fiber): **20% lower**

PULP PIX INDEXES EUROPE (USD PER TONNE)



Source: Arctic Paper based on Foex data

OPERATING DATA

Pulp production & deliveries

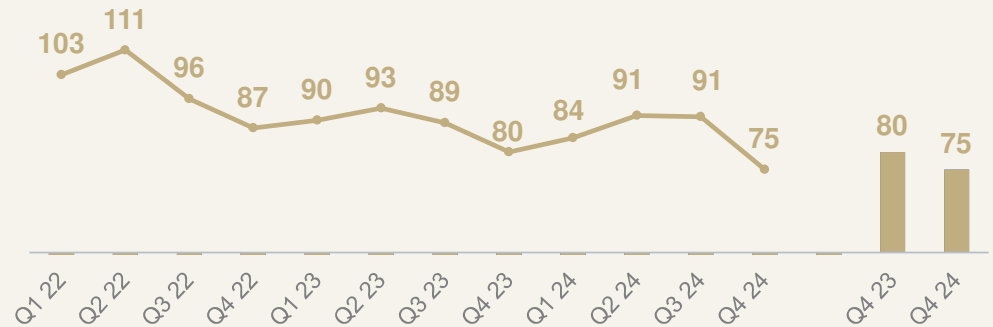
Q4 2024 total production: **75k tons**

17% LOWER THAN IN Q3 2024
7% LOWER THAN IN Q4 2023

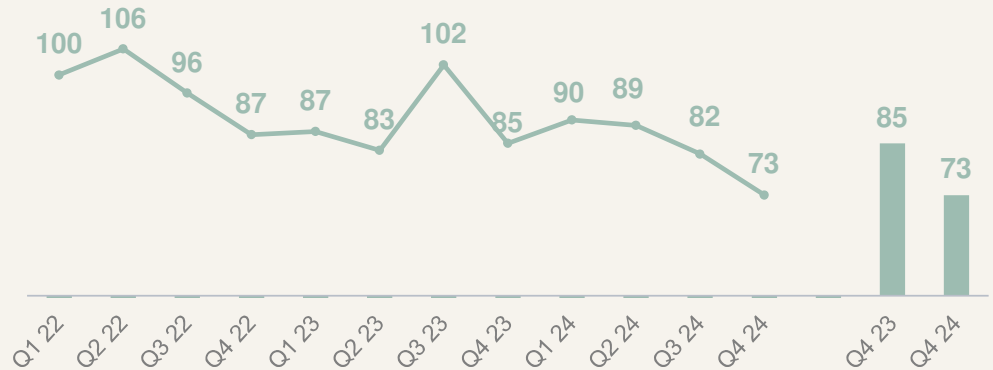
Q4 2024 total deliveries: **73k tons**

11% LOWER THAN IN Q3 2024
14% LOWER THAN IN Q4 2023

PULP PRODUCTION (1,000 TONNE)



PULP DELIVERIES (1,000 TONNE)



OPERATING DATA

Revenue and prices

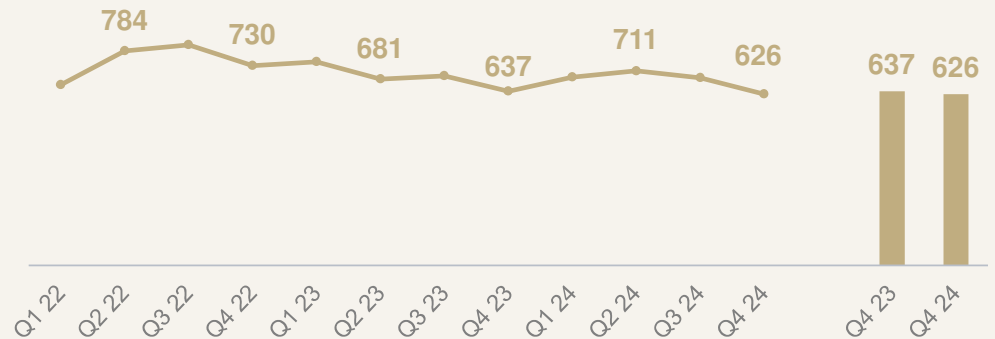
Total revenue Q4 2024 (**SEK 626mn**)

DECREASED BY 2% COMPARED TO Q4 2023

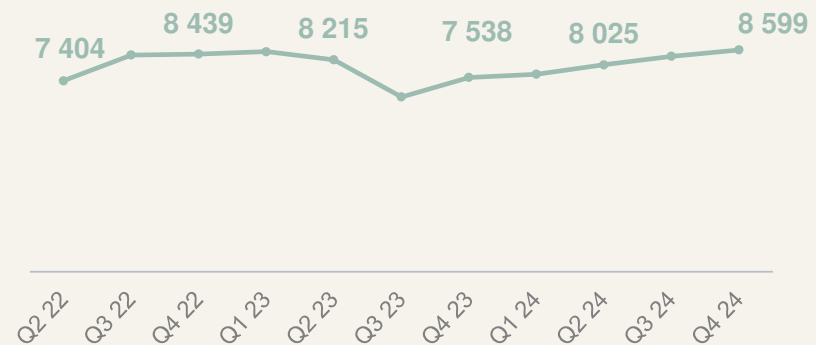
Average price in Q4 2024 (**SEK 8.6k per tonne**)

INCREASED BY 14% COMPARED TO Q4 2023

PULP SALES REVENUE (SEK mn)

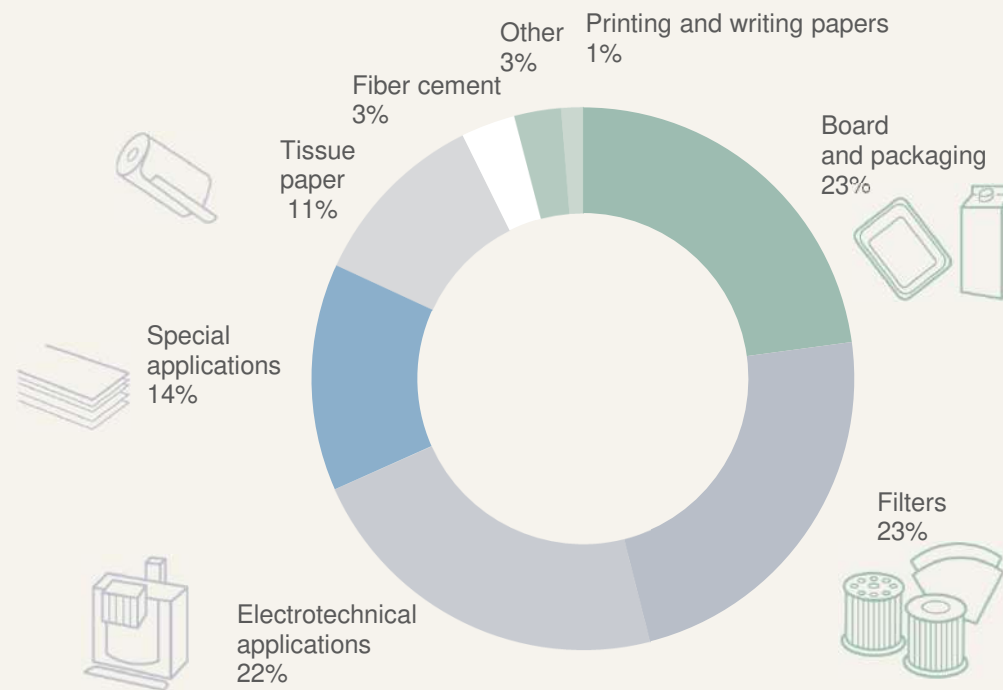


PULP SALES REVENUE PER TONNE (SEK)



PULP – REPLACEMENT MATERIAL FOR PLASTIC

Pulp Sales (Rottneros) by application 2024



A collection of white paper shopping bags and a flat paper bag on a light surface. The bags are arranged in a row, with one flat bag in the foreground. The word "PACKAGING" is overlaid in the center.

PACKAGING

DEVELOPMENT

STABLE SALES OF PACKAGING PAPERS

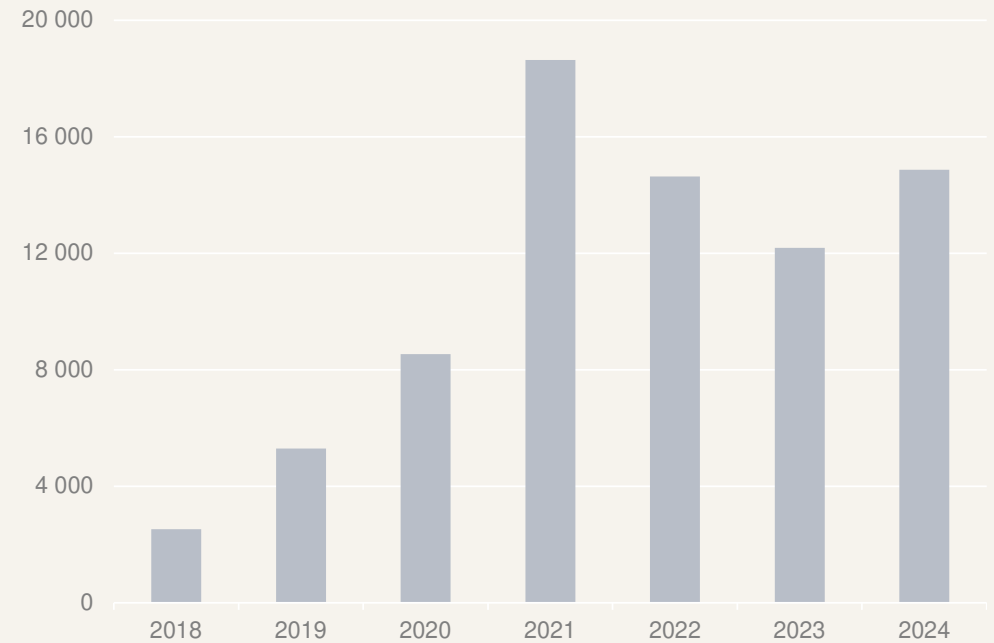
Munken Kraft

Uncoated packaging paper

G-Flexmatt

Coated packaging paper

PACKAGING PAPER SALES DEVELOPMENT (t)



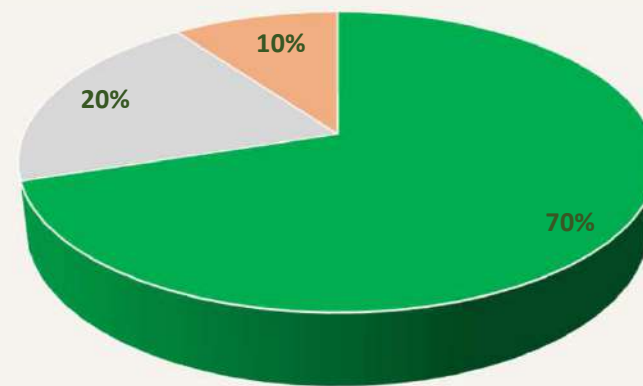
POWER

ENERGY SEGMENT

Power plants:

- CHP power plant (Poland)
- PV (Poland, Sweden)
- Thermal waste incineration (Sweden)
- Hydroturbines (Sweden)
- Biomass boilers (Sweden)

Energy mix



■ green energy (bio & solar & hydro) ■ natural gas ■ RDF/waste incineration

ENERGY SEGMENT - ONGOING PROJECTS

- 9,6 MW PV (Poland)
- Search for PV projects acquisition (Poland)
- Modernisation of biomass boiler (Sweden)
- Wood pellet production line (Sweden)
- Energy storage systems (Sweden & Poland)

Group will have over 30 MW of PV installed capacity by the summer of 2025

A background image showing a close-up of paper mill machinery, including rollers and brushes, with a large, semi-transparent diagonal overlay on the right side. The text 'FINANCIAL PERFORMANCE' is centered over the image.

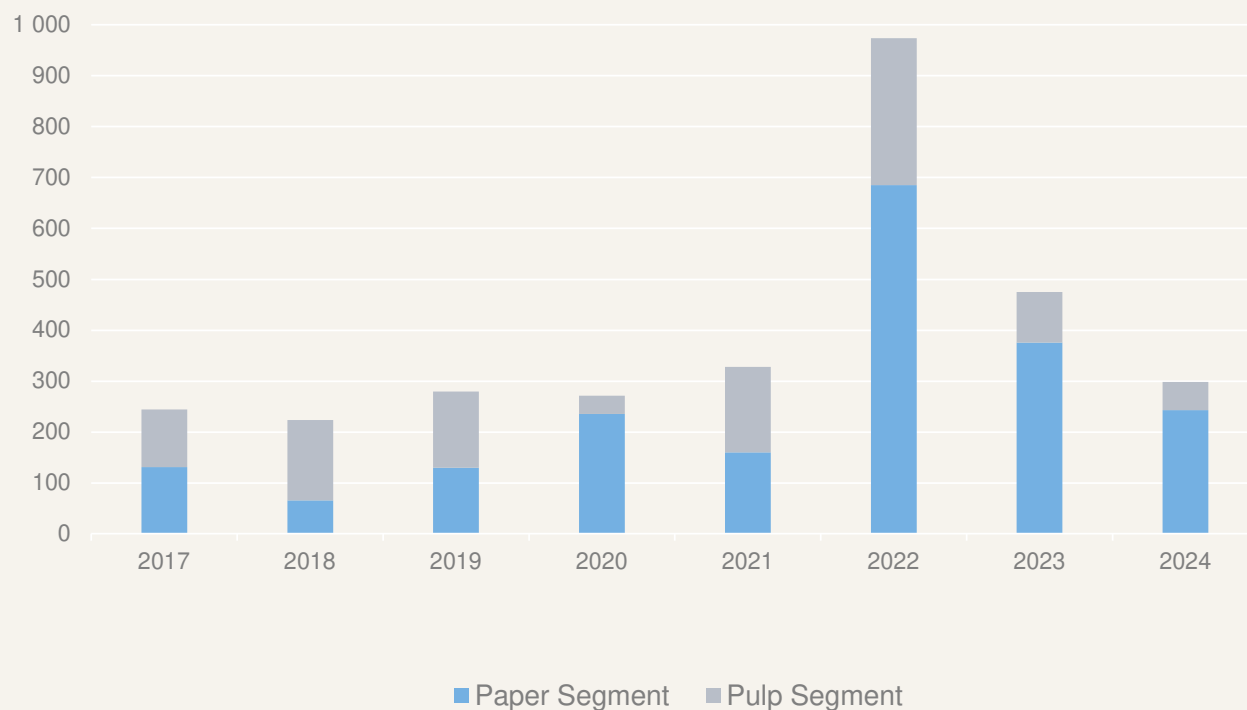
FINANCIAL PERFORMANCE

EBITDA EVOLUTION 2017 – 2024 (PLN mn)

Effective hedging of both segments – to stabilize financial results in medium & long term perspective

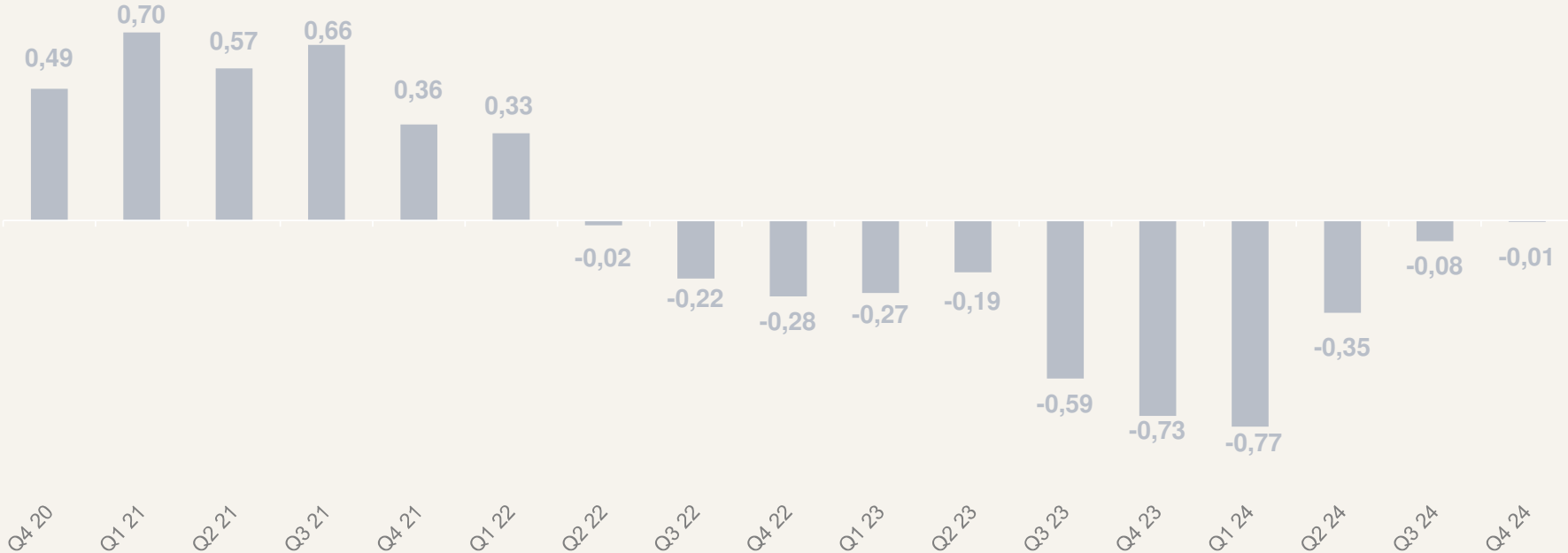
Q4 2024 EBITDA PLN 38.8mn

2024 EBITDA 300 PLN mn – above 2014-2021 level, despite low capacity utilisation



NET DEBT/EBITDA 2020 – 2024

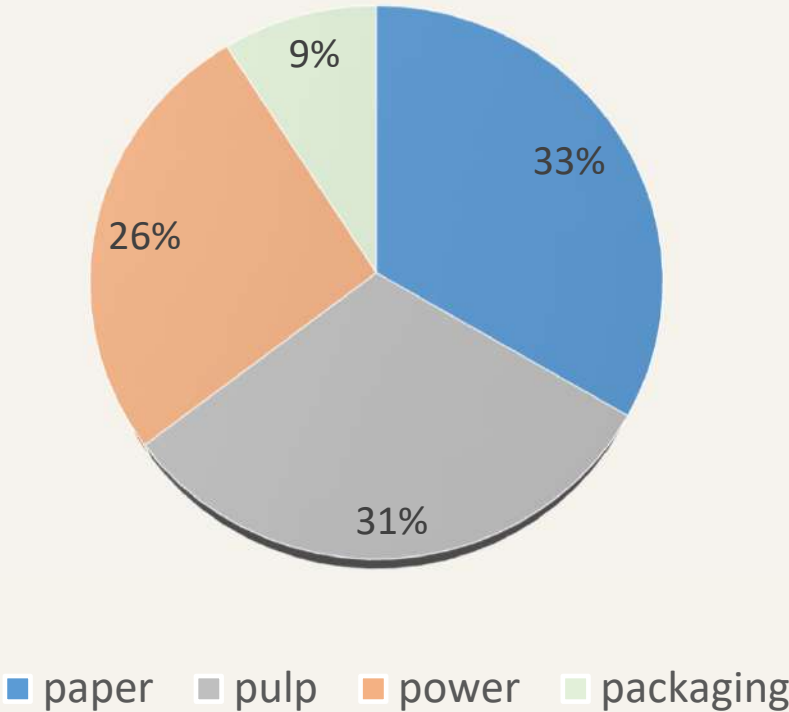
Strong financial position



* rolling 12 months

CAPEX STRUCTURE BY SEGMENTS 2024

The path to execute 4P strategy



OUTLOOK FOR 2025

- Dividend proposal 0,70 PLN per share, it is 30% of net profit – in line with divided policy
- Concerns about European economy growth
- Expected stability in prices and availability of raw materials
- Expectations of positive changes in the Green deal and reduction of bureaucratic barriers
- Headwinds from the US
- Capex back to normal level - focus on completing started projects related to 4P
- Focus on maintaining a strong balance and cash flow

SHARING OUR STORY WITH YOU

HEDGED AGAINST
VOLATILITY
OF PROFITABILITY
& HIGH FLUCTUATION
OF ENERGY

GROWTH
IN PACKAGING

INCREASING SHARE
OF RENEWABLE AND
FOSSIL-FREE ENERGY

PREDICTABLE CAPEX
AIMED AT CONTINUED
IMPROVEMENTS

OWNER
OF BRANDS VALUED
BY CUSTOMERS

ESTABLISHED
POSITION ON THE
MARKET WITH
A HIGH ENTRY
BARRIER

STABLE
OWNERSHIP
STRUCTURE

SUSTAINABLE
PRODUCTION
PROCESSES

4P For Future Arctic

Paper



Packaging



Pulp



Power

