ARCTIC PAPER CAPITAL GROUP

Interim Condensed Consolidated Report
for the period of 6 months
ended on 30 June 2026

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Introduction

Information on the report

This Consolidated Semi-Annual Report for 6 months ended on 30 June 2026 was prepared in accordance with the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information provided by issuers of securities and on conditions under which information required by legal regulations of a third country may be recognised as equivalent (Journal of Laws of 2018, item 757) and a part of the interim condensed consolidated financial statements in accordance with International Accounting Standard No. 34.

The Interim condensed 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. The data for the three months ended 30 June 2026 and 30 June 2025 and the three months ended 31 March 2026 and 31 March 2025 presented in the interim condensed consolidated and separate financial statements have not been audited by an auditor.

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

This Consolidated Semi-Annual 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 Oud-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 Fiber Solutions with its registered office in Wilmington (USA)
	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 losses (Earnings Before Interest, Taxes, Depreciation and Amortisation)
EBITDA profitability, EBITDA margin	Ratio of operating profit before depreciation, amortisation and impairment losses on assets to revenue 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 expressions 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.

Forward looking statements relating to risk factors

In this report we described the risk factors that the Management Board of our Group considers specific to the sector we operate in; however, the list may not be exhaustive. Other factors may arise that have not been identified by us and that could have material and adverse impact on the business, financial condition, results on operations or prospects of the Arctic Paper Group. In such circumstances, the price of the shares of the Company listed at the Warsaw Stock Exchange or at NASDAQ in Stockholm may decrease, investors may lose their invested funds in whole or in part and the potential dividend disbursement by the Company may be limited.
We ask you to perform a careful analysis of the information disclosed in 'Risk factors' of this report – the section contains a description of risk factors and uncertainties related to the business of the Arctic Paper Group.

Management Board's Report

on operations of the Arctic Paper Capital Group and of Arctic Paper S.A.

to the Interim Condensed Consolidated Report
for the period of 6 months
ended on 30 June 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-containing 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 30 June 2026, the Arctic Paper Group employs over 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 30 June 2026, the Group had 14 Sales Offices ensuring access to all European markets, including Central and Eastern Europe and North America. Our consolidated sales revenue for H1 2026 amounted to PLN 1,565 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 paper and pulp production, include power generation, heat generation and logistics services.

The 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 Capital Group comprises the parent company Arctic Paper S.A. and its subsidiaries. Since 23 October 2009, Arctic Paper S.A. has been listed on the primary market of the Warsaw Stock Exchange 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. Capital Group along with identification of the consolidated entities are specified in note 2 in the interim condensed consolidated financial statements, further below in this quarterly report.

Changes in the capital structure of the Arctic Paper Group

In H1 2026, there were no changes to the Arctic Paper Group's capital structure.

Shareholding structure

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 position has changed since the publication date of the report for Q1 2026, 12 May 2026.

as at 11.08.2026

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	44 474 890	64,19%	44 474 890	64,19%
Nemus Holding AB	43 874 890	*63,32%*	43 874 890	*63,32%*
other entity	600 000	*0,87%*	*600 000*	*0,87%*
- directly	2 823 658	4,07%	2 823 658	4,07%
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%**

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%
Nemus Holding AB	41 374 890	*59,71%*	*41 374 890*	*59,71%*
other entity	600 000	*0,87%*	*600 000*	*0,87%*
- directly	5 323 658	7,68%	5 623 658	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%**

Summary of the consolidated financial results

Selected items of the consolidated statement of profit or loss

PLN '000	Q2 2026	Q1 2026	Q2 2025	H1 2026	H1 2025	Change (%) Q2 2026/ Q1 2026	Change (%) Q2 2026/ Q2 2025	Change (%) H1 2026/ H1 2025
Continuing operations								
Sales revenue	750 827	813 991	833 455	1 564 818	1 656 225	(7,8)	(9,9)	(5,5)
of which:								
Sales of paper	514 016	573 394	551 507	1 087 409	1 130 290	(10,4)	(6,8)	(3,8)
Sales of pulp	236 817	240 597	281 949	477 408	525 935	(1,6)	(16,0)	(9,2)
Profit on sales	73 863	68 146	82 774	142 009	197 158	8,4	(10,8)	(28,0)
EBIT	(29 694)	(36 164)	(88 497)	(65 858)	(98 321)	(17,9)	(66,4)	(33,0)
EBITDA	8 576	2 564	5	11 140	22 861	234,4	171 420	(51,3)
Net profit/(loss)	(36 882)	(33 514)	(75 025)	(70 395)	(98 845)	10,0	(50,8)	(28,8)
% of sales revenue	*(4,9)*	*(4,1)*	*(9,0)*	*(4,5)*	*(6,0)*	(0,8) p.p.	4,1 p.p.	1,5 p.p.
Net profit/(loss) for the reporting period attributable to the shareholders of the Parent Company	(34 415)	(21 384)	(45 423)	(55 798)	(58 846)	60,9	(24,2)	(5,2)
Sales volume (in thousand tonnes)								
Paper	117	136	119	254	244	(13,9)	(1,7)	4,1
Pulp	84	89	92	173	174	(5,8)	(8,6)	(0,6)

Comments of the President of the Management Board Michał Jarczyński on the results of H1 2026

As expected, market conditions remained largely unchanged in Q2 2026. Weak European growth and persistent geopolitical uncertainty continued to soften demand, while the conflict in the Middle East drove higher input and logistics costs. For Arctic Paper, this resulted in consolidated revenues decreasing to PLN 750,8 million (833,5). Thanks to improved profitability in the pulp segment, EBITDA increased to PLN 8,6 million (0,0) compared to the weak quarter of comparison, with an EBITDA margin of 1.1 percent (0.0).

In response to the demanding market environment, the Group continues to execute its operational efficiency and cost optimisation initiatives. Capital expenditure has also been significantly reduced, with investments focused on projects that enhance long-term competitiveness and support the Group's sustainability ambitions. A key example is the new wastewater treatment facility at the Munkedal mill, scheduled to be completed in 2026.

Demand in the European printing industry remained subdued, and further capacity rationalisation will be required to restore a healthier market balance and support sustainable industry profitability. Rising pulp prices and elevated costs for oil-based raw materials continued to put pressure on production costs, while intense price competition limited the Group's ability to fully offset these increases through higher selling prices, resulting in unsatisfactory profitability. Paper segment sales reached PLN 514,0 million (551,5) with an EBITDA of PLN -7,8 million (5,9). We have largely completed our efficiency and cost reduction programme, which is expected to generate savings of approximately PLN 6 million in 2026. Efforts to further enhance efficiency and reduce costs remain ongoing. During the quarter, the Group strengthened its presence in the strategically important North American market through the establishment of a sales office. Early market traction has been encouraging, and the ambition is for North America to account for 5-10 percent of paper sales within the next years.

The Pulp segment reported improved profitability, supported by lower pulp wood prices and reduced fixed costs. Pulp turnover decreased to MSEK 612 million (726), while EBITDA improved to MSEK 31 million (-15). Despite improved performance, the global pulp market remains challenging, reflected in ongoing production curtailments and capacity reductions across the industry. Going forward, cost efficiency, high production availability, and cash flow generation continue to be highly prioritized.

Our strategic investments in sustainable energy solutions continue to progress according to plan. The new electric boiler in Kostrzyn is on track for completion in 2027 and will reduce emissions while strengthening cost competitiveness. The commercial scale-up of the new wood pellet plant in Grycksbo is progressing well, with a targeted EBITDA contribution of SEK 20 million already in 2026. Packaging delivered stable volumes during the quarter.

While the timing of a market recovery remains uncertain, Arctic Paper is well equipped to navigate the current cycle. Our strong financial position, disciplined execution and strategic investments provide a robust foundation for the future. We are confident that these actions will enhance our competitiveness, strengthen margins and position the Group to benefit when market conditions improve.

Revenue

The decrease in revenue from the sale of paper and pulp in H1 2026, compared with H1 2025, is primarily due to a fall in the selling prices of both paper and pulp. Paper sales volumes were 4.1% higher than in the corresponding half-year of the previous year, whilst pulp sales volumes were 0.6% lower. For the same reasons, there was a decrease in revenue from paper and pulp sales in Q2 2026 compared to Q2 2025.

Profit on sales, EBIT, EBITDA, net profit

The decrease in sales profit, EBIT, EBITDA and net profit for H1 2026 compared with H1 2025 is due to a fall in revenue from the sale of paper and pulp, resulting from a fall in selling prices. The analogous situation is in Q2 2026 compared to Q2 2025.

Profitability analysis

PLN '000	Q2 2026	Q1 2026	Q2 2025	H1 2026	H1 2025	Change (%) Q2 2026/ Q1 2026	Change (%) Q2 2026/ Q2 2025	Change (%) H1 2026/ H1 2025
Profit/(loss) on sales	73 863	68 146	82 774	142 009	197 158	8,4	(10,8)	(28,0)
% of sales revenue	9,84	8,37	9,93	9,08	*11,90*	1,5 p.p.	(0,1) p.p.	(2,8) p.p.
EBITDA	8 576	2 564	5	11 140	22 861	234,4	171 420	(51,3)
% of sales revenue	1,14	0,32	-	0,71	*1,38*	0,8 p.p.	1,1 p.p.	(0,7) p.p.
EBIT	(29 694)	(36 164)	(88 497)	(65 858)	(98 321)	(17,9)	(66,4)	(33,0)
% of sales revenue	(3,95)	(4,44)	(10,62)	(4,21)	(5,94)	0,5 p.p.	6,7 p.p.	1,7 p.p.
Net profit/(loss)	(36 882)	(33 513)	(75 025)	(70 395)	(98 845)	10,0	(50,8)	(28,8)
% of sales revenue	(4,91)	(4,12)	(9,00)	(4,50)	*(5,97)*	*(0,8) p.p.*	*4,1 p.p.*	*1,5 p.p.*
Return on equity / ROE (%)	(2,3)	(2,0)	(4,4)	(4,3)	(5,8)	(0,3) p.p.	2,1 p.p.	1,5 p.p.
Return on assets / ROA (%)	(1,4)	(1,2)	(2,7)	(2,7)	(3,6)	(0,1) p.p.	1,3 p.p.	0,9 p.p.

The higher return on equity and return on assets are primarily due to a lower net loss, as well as lower equity and total assets in H1 2026 compared with the same period of the previous year.

Selected items of the consolidated statement of financial position

PLN thousand	As at 30 June 2026	As at 31 December 2025	As at 30 June 2025	Change: 30 June 2026/ 31 December 2025	Change 30 June 2026/ 30 June 2025
Non-current assets	1 617 015	1 643 086	1 530 937	(26 071)	86 078
Inventories	432 606	443 529	494 278	(10 923)	(61 672)
Receivables	420 409	390 129	486 134	30 280	(65 725)
Trade receivables	393 249	367 833	456 081	25 416	(62 832)
Other current assets	58 834	48 019	36 365	10 815	22 469
Cash and cash equivalents	123 517	151 642	233 606	(28 125)	(110 089)
Total assets	**2 652 381**	**2 676 405**	**2 781 318**	**(24 024)**	**(128 937)**
Equity	1 639 040	1 697 441	1 696 167	(58 401)	(57 127)
Current liabilities	719 929	776 136	738 804	(56 207)	(18 875)
of which:					
trade and other payables	406 275	454 527	434 238	(48 252)	(27 963)
interest-bearing debt	185 829	205 795	181 601	(19 966)	4 227
other non-financial liabilities	127 825	115 814	122 965	12 011	4 860
Non-current liabilities	293 412	202 828	346 346	90 584	(52 934)
of which:					
interest-bearing debt	180 876	92 561	216 189	88 315	(35 313)
other non-financial liabilities	112 536	110 266	130 157	2 270	(17 621)
Total equity and liabilities	**2 652 381**	**2 676 405**	**2 781 317**	**(24 024)**	**(128 937)**

Non-current assets

The decrease in non-current assets at the end of June 2026 compared with the end of the previous year is mainly due to a fall in the value of property, plant and equipment, which is primarily attributable to their depreciation.

Current assets

The increase in current assets at the end of June 2026 compared with the end of the previous year is mainly due to an increase in trade receivables and other receivables, offset by a decrease in inventories and cash and cash equivalents.

As at 30 June 2026, trade receivables were higher compared with 31 December 2025, primarily due to the seasonal nature of the Group's operations. Trade receivables are typically lower at the year-end reporting date as a result of reduced sales activity during the holiday season and intensified collection efforts and receivables monitoring undertaken prior to year-end closing.

Compared with 30 June 2025, trade receivables decreased, mainly as a consequence of lower sales generated in the period immediately preceding the reporting date, which resulted in a lower balance of outstanding receivables at the end of the reporting period.

Equity

The decrease in equity at the end of June 2026 compared to the end of the previous year is mainly due to the net loss achieved in 2026.

Current liabilities

The decrease in current liabilities at the end of June 2026 compared with the end of the previous year is mainly due to a fall in trade payables resulting from lower purchases of raw materials and the repayment of working capital loan instalments, as well as the reclassification of part of the Rottneros Group's short-term loans to the long-term category.

Non-current liabilities

The increase in non-current liabilities at the end of June 2026 compared with the end of the previous year is mainly due to the reclassification of part of the Rottneros Group's short-term loans to the long-term category.

Debt analysis

	Q2 2026	Q1 2026	Q2 2025	Change: Q2 2026 / Q1 2026	Change: Q2 2026 / Q2 2025
Debt-to-equity ratio (%)	61,8	59,6	64,9	2,2 p.p.	(3,1) p.p.
Equity to non-current assets ratio (%)	101,4	101,9	109,7	(0,5) p.p.	(8,3) p.p.
Interest-bearing debt-to-equity ratio (%)	22,4	20,1	23,5	2,3 p.p.	(1,1) p.p.
Net debt to EBITDA ratio for the last 12 months (x)	8,4 x	11,3 x	1,2x	-	-
EBITDA to interest expense ratio for the last 12 months (x)	1,9 x	1,5 x	13x	-	-

The increase in the debt-to-equity ratio in Q2 2026 is due to a rise in liabilities and a fall in equity.

The decrease in the ratio of equity to non-current assets in Q2 2026 is due to a decrease in the value of equity.

Liquidity analysis

	Q2 2026	Q1 2026	Q2 2025	Change: Q2 2026-Q1 2025	Change: Q2 2026-Q2 2025
Current ratio	1,4	1,5	1,7	(0,1)	(0,3)
Quick ratio	0,8	0,8	1,0	(0,0)	(0,2)
Cash solvency ratio	0,2	0,2	0,3	0,0	(0,1)
DSI (days)	57,5	50,1	59,3	7,4	(1,8)
DSO (days)	47,1	47,3	49,2	(0,2)	(2,1)
DPO (days)	54,0	53,2	52,1	(0,8)	1,9
Operating cycle (days)	104,7	97,4	108,5	7,3	(3,8)
Cash conversion cycle (days)	50,6	44,2	56,4	6,4	(5,8)

The decline in the cash conversion cycle in Q2 2026 compared with Q2 2025 is primarily due to a reduction in the days taken to turn stock and receivables.

Selected items of the consolidated statement of cash flows

PLN '000	Q2 2026	Q1 2026	Q2 2025	H1 2026	H1 2025
Cash flows from operating activities	5 643	(46 683)	8 360	(41 040)	(1 448)
Cash flows from investing activities	(23 568)	(40 810)	(83 577)	(64 377)	(157 517)
Cash flows from financing activities	33 810	43 551	31 506	77 361	103 629
Total cash flows	**15 884**	**(43 941)**	**(43 712)**	**(28 056)**	**(55 333)**

Cash flows from operating activities

Negative cash flows from operating activities in both H1 and Q1 2026 were primarily due to an increase in receivables and a decrease in payables at the end of those periods.

Cash flows from investing activities

The negative cash flows from investing activities in Q2 2026 is mainly the result of expenditure on the purchase of property plant and equipment.

Cash flows from financing activities

The positive cash flows from financing activities in both Q2 2026 and H1 2026 were primarily due to an increase in the Group's debt.

Summary of separate financial results

Selected items of the separate statement of profit or loss

PLN '000	Q2 2026	Q1 2026	Q2 2025	H1 2026	H1 2025	Change (%) Q2 2026/ Q1 2026	Change (%) Q2 2025/ Q2 2026	Change (%) H1 2026/ H1 2025
Sales revenue	27 057	5 568	45 790	32 625	52 913	*385,94*	*(40,91)*	*(38,34)*
Profit on sales	24 836	2 819	42 619	27 655	46 817	*781,02*	*(41,73)*	*(40,93)*
EBIT	20 331	(2 376)	36 741	17 955	35 754	*(955,68)*	*(44,66)*	*(49,78)*
EBITDA	20 432	(2 274)	36 852	18 164	35 973	*(998,54)*	*(44,56)*	*(49,51)*
Gross profit/(loss)	18 450	(5 422)	34 294	13 028	35 711	*(440,28)*	*(46,20)*	*(63,52)*
Net profit/(loss)	18 450	(5 422)	33 672	13 028	35 711	*(440,28)*	*(45,21)*	*(63,52)*

Revenue and profit on sales

The main reason for the increase in revenue and profit on sales in Q2 2026 compared with the first quarter of 2026 was the receipt of dividends from subsidiaries. However, the decline in revenue and profit on sales in H1 2026 compared with the same period of the previous year was due to lower dividend income received in 2026.

EBIT and EBITDA

The decline in EBIT and EBITDA in Q2 2026 compared with the same period of the previous year is mainly due to lower dividend income and lower sales revenue.

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

In H1 2026, the Company recorded a lower financial result than in the corresponding period of the previous year. This decline was primarily due to lower dividend income received from subsidiaries.

Selected items of the separate statement of financial position

PLN '000	30.06.2026	31.12.2025	30.06.2025	Change 30.06.2026/ 31.12.2025	Change 30.06.2026/ 30.06.2025
Non-current assets	1 224 341	1 190 275	1 129 671	34 066	94 670
Current assets	60 850	70 747	128 728	(9 897)	(67 878)
Total assets	**1 285 191**	**1 261 022**	**1 258 399**	**24 169**	**26 793**
Equity	992 370	979 269	999 588	13 101	(7 218)
Current liabilities	240 809	247 698	227 779	(6 889)	13 030
Non-current liabilities	52 012	34 055	31 032	17 957	20 980
Total equity and liabilities	**1 285 191**	**1 261 022**	**1 258 399**	**24 169**	**26 793**

Non-current assets

The increase in the value of non-current assets in H1 2026, compared with the same period in 2025, was primarily due to an increase in the value of financial assets. This change was mainly due to the granting of loans to Group companies and the making of capital contributions to subsidiaries.

Current assets

The decrease in current assets in H1 2026 compared with the same period in 2025 was mainly due to lower cash balances. In H1 2026, the Company increased its financial exposure to its subsidiaries by granting loans and making additional capital contributions. As a result, there was an increase in non-current assets, accompanied by a decrease in cash holdings.

Equity

The increase in equity compared with the balance at the end of 2025 was mainly due to the profit generated by the Company in H1 2026.

Current liabilities

The value of current liabilities in H1 2026 remained at a level similar to that at the end of 2025. The largest item in this category, namely 'Interest-bearing loans, borrowings and debt securities', did not undergo any significant changes and showed only a slight decrease compared with the end of 2025.

Non-current liabilities

The increase in non-current liabilities compared with the same period in 2025 was mainly due to the raising of bank finance in Q4 2025 and H1 2026.

Selected items of the separate statement of cash flows

PLN '000	Q2 2026	Q1 2026	H1 2026	H1 2025	Change (%) Q2 2026/ Q1 2026	Change (%) H1 2026/ H1 2025
Cash flows from operating activities	(20 119)	(55 072)	(75 191)	(97 316)	(63,5)	(22,7)
Cash flows from investing activities	(587)	(151)	(738)	(2 400)	288,1	(69,2)
Cash flows from financing activities	28 103	45 428	73 531	13 236	(38,1)	455,5
Total cash flows	**7 397**	**(9 795)**	**(2 398)**	**(86 480)**	**(175,5)**	**(97,2)**

The statement of cash flows shows an increase in cash in H1 2026 of PLN 2,398 thousand, consisting of:

- negative cash flows from operating activities of PLN -75,191 thousand,
- negative cash flow from investing activities of PLN -738 thousand,
- positive cash flows from financing activities of PLN 73,531 thousand.

Cash flows from operating activities

In H1 2026, net cash flow from operating activities amounted to PLN -75,191 thousand, compared with PLN -97,316 thousand in the corresponding period of 2025. The negative operating cash flows were mainly due to a change in cash pooling liabilities and a change in loans granted to subsidiaries.

Cash flows from investing activities

In H1 2026, net cash flow from investing activities amounted to PLN -738 thousand. The net outflows were primarily attributable to a capital contribution to the subsidiary Arctic Paper Fiber Solutions and the acquisition of an item of property, plant and equipment.

Cash flows from financing activities

In H1 2026, net cash flows from financing activities amounted to PLN 73,531 thousand, compared with PLN 13,236 thousand in the corresponding period of 2025. The positive cash flows were primarily attributable to the utilisation of overdraft facilities and the receipt of further tranches of an investment loan earmarked for the construction of a pellet factory at Arctic Paper Grycksbo.

Factors influencing the development of the Arctic Paper Group

Information on market trends

In Q2 2026, the Arctic Paper Group reported a 13.9% decrease in order levels compared to Q1 2026, with a 1.3% decrease in order levels compared to the same period in 2025.

In H1 2026, the Arctic Paper Group reported a 4.2% increase in order levels compared to the same period of the previous year.

Source of data: Arctic Paper analysis

Paper prices

At the end of H1 2026, the prices of uncoated wood-free paper (UWF) in Europe decreased by 2.1% versus the prices at the end of 2025 while for coated wood-free paper (CWF) there was a decrease by 1.4%.

At the end of June 2026, the average prices declared by producers for selected types of paper and markets: Germany, France, Spain, Italy, United Kingdom – for both uncoated wood-free paper (UWF) and coated wood-free paper (CWF) were higher than at the end of December 2025 by 3.7% and 2.5% respectively.

Arctic Paper's invoiced prices in EUR of comparable products in the uncoated wood-free (UWF) segment increased by an average of 9.8% from the end of December 2025 to the end of June 2026, while in the coated wood-free (CWF) segment they increased by 5.9%. At the end of H1 2026, the prices of uncoated wood-free paper (UWF) invoiced by Arctic Paper decreased by 3.8% versus the prices at the end of June 2025 while for coated wood-free paper (CWF) there was a decrease by 1.8%.

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 customers and they include neither any additions nor 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 Q2 2026, the pulp prices reached the level of: NBSK – USD 1.651/tonne and BHKP – USD 1.408/tonne.

The average NBSK price in Q2 2026 was higher by 4.6% compared to the equivalent period of the previous year while for BHKP the average price was higher by 14.9%. Compared to Q1 2026, the average pulp price in Q2 2023 was higher by 5.8% for NBSK and by 14.1% for BHKP.

Pulp costs are characterised by high volatility. The prices of the raw materials had major impact on the Group's profitability in the period.

The average cost of pulp used in paper production calculated for the Arctic Paper Group expressed in PLN in Q2 2026 increased by 8.5% compared to Q1 2026. The average cost of pulp used in paper production in H1 2026 decreased by 8.6% compared to the same period last year.

The share of pulp costs in overall selling costs after 6 months of the current year was 44% versus about 48% in the equivalent period in 2025.

The Arctic Paper Group uses the pulp in the production process according to the following structure: BHKP 77%, NBSK 16% and other 7%.

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

Currency exchange rates

At the end of Q2 2026, the EUR/PLN rate amounted to 4.2963 and was by 1.3% higher than at the end of Q2 2025. The mean EUR/PLN exchange rate in H1 2026 amounted to 4.2432 and was by 0.3% higher than in the equivalent period of 2025.

The EUR/SEK exchange rate amounted to 11.0872 at the end of Q2 2026 (decrease by 0.4% versus the end of Q2 2025). For that currency pair, the mean exchange rate in H1 2026 was by 2.7% lower than in the equivalent period of 2025. The somewhat appreciating SEK versus EUR has been adversely impacting the revenue invoiced in EUR in the factories in Sweden (AP Munkedals and AP Grycksbo).

The USD/PLN exchange rate as at the end of Q2 2026 amounted to 3.7708. In H1 2026 the mean USD/PLN exchange rate was 3.6381 versus 3.8763 in the equivalent period of the previous year which was a decrease by 6.1%. In Q2 2026 the mean USD/PLN exchange rate was 3.6564 and was by 2.7% lower than in Q2 2025. The change has adversely affected the costs incurred in USD by AP Kostrzyn, in particular the costs of pulp.

The USD/SEK exchange rate as at the end of Q2 2026 amounted to 9.7311. In H1 2026, the mean exchange rate amounted to 9.3637 compared to 9.6614 in the equivalent period of the previous year which was a depreciation of the exchange rate by 3.1%. In Q2 2026 the mean

USD/SEK exchange rate increased by 2.4% versus Q1 2026. The change in comparison to the equivalent quarter of 2025 unfavourably affected the costs incurred in USD by AP Munkedals and AP Grycksbo, in particular the costs of pulp.

At the end of June 2025, the EUR/USD exchange rate amounted to 1.1394 compared to 1.1730 (-2.9%) at the end of June 2023. In Q2 2026, the EUR appreciated against the USD compared to Q2 2025 (+2.6%). The average exchange rate in H1 2026 was 1.1665 compared to 1.0933 in the same period of the previous year, representing an appreciation of 6.7%.

A slight weakening of the euro against the Polish zloty in Q2 had a moderately adverse impact on the Group's financial results, mainly due to a reduction in sales revenue generated in euros and expressed in Polish zlotys. The strengthening PLN against USD in turn had a positive impact on the Group's financial performance, as it resulted in lower purchase costs for the main raw material at the Kostrzyn mill. The strengthening SEK against EUR adversely affected revenue generated in EUR at the APM and APG factories.

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-quality paper in Europe at a time of a tense geopolitical situation, high energy prices, and an expected economic slowdown. 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 intensification of remote working may have the additional effect of reducing demand for high-quality graphic papers and therefore negatively affect 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 are going to be of particular importance for the Paper Mill of Grycksbo which – in connection with the market changes – experiences the greatest adverse impact of the decrease of sales volumes, prices as well as of exchange rate fluctuations.
- 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

Major changes to risk factors

There were no significant changes in risk factors in H1 2026.

Risk factors related to the environment in which the Group operates

The sequence in which the risk factors are presented below does not reflect the likelihood of occurrence, extent or materiality of the risks.

The risk related to intensifying competition in the paper market in Europe

Our Group operates in a very competitive market. The achievement of the strategic objectives assumed by the Group may be made difficult by operations of competitors, particularly integrated paper producers operating on a larger scale than our Group. Any more intensified competition resulting from a potential growth of production capacity of our competitors and thus an increased supply of paper to the market, may adversely affect the achievement of the planned revenue and thus the ability to achieve the underlying financial and operational assumptions.

The Group has a high exposure to this risk

Risks associated with a deterioration in the geopolitical situation in the world

The market in which our Group operates is exposed to risks associated with the geopolitical situation in Europe and globally, particularly in the United States of America. This risk could result in delays in the supply of raw materials or disruptions to supply chains, which would force changes to production plans. This uncertainty leads to consumers being cautious about how they spend their money, which may contribute to a slowdown in economic growth.

The Group is exposed to this risk to a moderate extent.

Risks associated with the escalation of the geopolitical situation in Europe

In terms of the Group's operations on the European market, it is important that the Group and its competitors suspend commercial transactions with Russia, in particular the purchase of timber for the production of long-fibre pulp. As a result, there has been a very sharp rise in its prices from alternative Scandinavian suppliers. This is having a severe impact on producers of long-fibre pulp, including those belonging to the Rottneros Group.

The Group is also exposed to the risk of a hybrid war between Russia and European countries, and, in the worst-case scenario, the risk of an armed conflict.

The Group has a high exposure to this risk

Risk of cyber attack

The risk of a cyber attack is one of the most serious threats facing businesses today, regardless of industry or size. It is important to the Group because it affects key aspects of its operations: the data held by the Group, business continuity and production, finances, process security and reputation. A hacking attack could potentially result in production lines being stopped and orders being delayed, resulting in a loss of customer confidence. Other potential costs may include: the reconstruction of the Group's IT infrastructure, the risk of administrative penalties (e.g. under the GDPR), or the risk of legal proceedings arising from claims by customers.
The Group is exposed to this risk to a high degree

Risk of changing legal regulations

Our Group operates in a legal environment characterised with a high level of uncertainty. The regulations affecting our business have been frequently amended and often there are no consistent interpretations which generates a risk of violating the existing regulations and the resultant consequences even if such breach was unintentional. Additionally, amendments to regulations relating to environmental protection and other regulations may generate the need to incur material expenditures to ensure compliance, inter alia, more restrictive regulations or stricter implementation of the existing regulations concerning the protection of surface waters, soil waters, soil and atmospheric air.

The Group is exposed to this risk to a moderate extent.

Foreign currency risk

Revenue, expenses and results of the Group are exposed to foreign currency risk, in particular relating to exchange rates of PLN and SEK to EUR, GBP and other currencies. Our Group exports a majority of its produced paper to European markets, generating a material part of its sales revenue in EUR, GBP, PLN and SEK. Sales revenue of pulp in the Pulp Mills are subject to USD fix risk. The purchase costs of materials for paper production, in particular pulp for paper mills are paid primarily in USD and EUR. Additionally, we hold loan liabilities mainly in PLN, EUR and SEK. PLN is the currency used in our financial statements and therefore our revenue, expenses and results generated by the subsidiaries domiciled abroad are subject to exchange rate fluctuations. Thus, currency exchange rate fluctuations may have a strong adverse effect on the results, financial conditions and prospects of the Group.

The Group is exposed to this risk to a moderate extent.

Interest rate risk

The Group is exposed to interest rate risk in view of the existing interest-bearing debt. The risk results from fluctuations of such interest rates as WIBOR for debt in PLN, EURIBOR for debt in EUR and STIBOR for debt in SEK. Unfavourable changes of interest rates may adversely affect the results, financial condition and prospects of the Group.

The Group is exposed to this risk to a limited extent.

Risk related to increasing importance of alternative media

Trends in advertising, electronic data transmission and storage and in the Internet have adverse impact on traditional printed media and thus on the products of the Group and its customers. Continuation of such changes may adversely affect the results, financial condition and prospects of the Group.

The Group has a high exposure to this risk

Risk factors relating to the business of the Group

The sequence in which the risk factors are presented below does not reflect the likelihood of occurrence, extent or materiality of the risks.

Risk related to relatively low operational margins

Historically, the operational results of the Group are characterised by relatively high volatility and low profit margins on operations. Reduced revenue resulting e.g. from changes to production capacity, output, pricing policies or increased operating expenses that primarily comprise costs of raw materials (mainly pulp for Paper Mills) and energy, may mean the Group's losses in earning capacity. Material adverse changes to profitability may result in reduced prices of our stock and reduced capacity to generate working capital thus adversely affecting our business and deteriorating our prospects.

The Group has a high exposure to this risk

Risk of price changes to raw materials, energy and products

We are exposed to the risk of price changes of raw materials and energy, primarily related to price fluctuations of pulp, gas and electricity. Paper Mills buy pulp under frame agreements or in one-off transactions and do not hedge against fluctuations of pulp prices. A part of pulp is supplied to our Paper Mills from the Pulp Mills of the Rottneros Group. The risk of changing prices of raw materials is related primarily to changing prices of paper and pulp in the markets to which we sell our products. A material growth of prices of one or more raw materials and energy may adversely affect the operating results and financial condition of the Group.

The Group has a high exposure to this risk

Risk of disruption to production processes

Our Group holds three Paper Mills operating jointly seven production lines with total annual production capacity of over 630,000 tonnes of paper and two Pulp Mills with a total production capacity of 400,000 tonnes of pulp. Long-lasting disruption to the production process may result from a number of factors, including a breakdown, human error, unavailability of raw materials, natural catastrophes and other that are beyond our control. Each such disruption, even relatively short, may have material impact on our production and profitability and result in material costs for repairs, liabilities to buyers whose orders we are not able to satisfy and other expenses.

The Group is exposed to this risk to a moderate extent.

Risk related to our investments

Investments by the Group aimed at expanding the production capacity of the Group require material capital outlays and a relatively long time to complete. As a result, the market conditions under which we operate may be materially changed in the period between our decision to incur investment outlays to expand production capacity and the completion time. Changes of market conditions may result in a volatile demand for our products which may be too low in the context of additional production capacities. Differences between demand and investments in new production capacities may result in failure to utilise the expanded production capacity to the full extent. This may have adverse effect on the operating results and financial condition of the Group.

The Group is exposed to this risk to a moderate extent.

Risk factors relating to the debt of the Group

Our Group mainly has debt under a loan agreement with a consortium of banks (Pekao SA, Erste Bank S.A. and BNP Paribas SA) of 31 October 2025, loan debt with Danske Bank, Nordea Bank and under leasing agreements.

Failure by the Group to comply with its obligations, including the agreed levels of financial ratios (covenants) resulting from the agreements, will result in default under those agreements. Events of default may in particular result in demand for repayment of our debt, banks taking control over important assets like Paper Mills or Pulp Mills and loss of other assets which serve as collateral, deterioration of creditworthiness and lost access to external funding which will be converted into lost liquidity and which in turn may materially adversely affect our business and development prospects and our stock prices.

The Group is exposed to this risk to a moderate extent.

Risk related to insurance limits

In the context of deteriorating situation in paper industry and the results of the Arctic Paper Group, our suppliers, in particular suppliers of such raw materials as pulp, may have problems with acquiring insurance limits (sale on credit) and thus they may lose the possibility of offering deferred payment terms to the Arctic Paper Group. Such situation may result in deteriorated financial situation and loss of financial liquidity of operating units and as a result this may adversely affect the situation in the entire Group.

The Group is exposed to this risk to a moderate extent.

Risk of restricted supplies of natural gas

Polskie Górnictwo Naftowe i Gazownictwo S.A (PGNiG) is the sole supplier of natural gas used by AP Kostrzyn to generate heat and electrical energy for paper production. (PGNiG). In this context, the business and costs of paper production at AP Kostrzyn is materially affected by availability and price of natural gas. Potential disruptions of supplies of natural gas to the Paper Mill in Kostrzyn nad Odrą may have adverse effect on production, results on operations and financial condition of the Group.

The Group is exposed to this risk to a limited extent.

Risk related to consolidation and liquidity of key customers

Consolidation trends among our existing and potential customers may result in a more concentrated customer base covering a few large buyers. Such buyers may rely on their improved bargaining position in negotiating terms of paper purchases or decide to change the supplier and acquire products from our competitors. Additionally, in the context of the deteriorating condition in printing industry, such customers as paper distributors, printing houses or publishers may not be able to obtain insurance limits (sale on credit) or have problems with financial liquidity which may result in their bankruptcy and adversely affect our financial results. The above factors may have adverse impact on the operational results and financial condition of the Group.

The Group is exposed to this risk to a moderate extent.

Risk related to compliance with regulations on environmental protection and adverse impact of the production process on the environment

The Group meets the requirements related to environmental protection; however, no certainty exists that it will always be able to comply with its obligations and that in the future it will avoid material expenses or that it will not incur material obligations related to the requirements or that it will be able to obtain all permits, approvals and other consents to carry on its business as planned. Similarly, considering that paper and pulp production is related to potential hazards relating to waste generated in Paper Mills and Pulp Mills and contamination with chemicals, no certainty exists that in the future the Group is not charged with liability for environmental pollution or that no event that may underlie the liability of the Group has not already occurred. Thus, the Group may be required to incur major expenses in connection with the need to remove contamination and land reclamation.

The Group is exposed to this risk to a moderate extent.

Risk related to CO2 emissions

Our Paper Mills and Pulp Mills are provided with free carbon dioxide emission rights for each period. The emission rights are awarded within the EU Emission Trading Scheme. Should such free carbon dioxide emission rights be cancelled and replaced with a system of paid emission rights, our costs of energy generation will grow accordingly. Additionally, we may be forced to incur other unpredictable expenses in connection with the emission rights or changing legal regulations and the resultant requirements. Due to the above we may be forced to reduce the quantity of generated energy or to increase the production costs which may adversely affect our business, financial condition, operational results or development prospects.

The Group is exposed to this risk to a moderate extent.

Risk related to dividend distribution

The Issuer is a holding company and therefore its capacity to pay dividend is subject to the level of potential disbursements from its subsidiaries involved in operational activity, and the level of cash balances. Certain subsidiaries of the Group involved in operational activity may be subject to certain restrictions concerning disbursements to the Issuer. No certainty exists that such restrictions will have no material impact on the business, results on operations and capacity of the Group to distribute dividend.

In connection with the term and revolving loan agreements, and the agreement between creditors signed on 31 October 2025, the Company's ability to pay dividends is subject to the Group meeting certain financial ratios in the period prior to payment (as that term is defined in the term and revolving credit facility agreement) and there being no event of default (as that term is defined in the term and revolving loan agreement).

The Group is exposed to this risk to a moderate extent.

Key factors affecting the performance results

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,
- Foreign exchange rates fluctuation.

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 CO_2 emissions. The costs of transportation include the costs of transportation services provided to the Group mainly by external entities.

Taking into account 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 Arctic Paper Group's structure on the financial result

Nasdaq Stockholm Disciplinary Committee Decision

On 4 February 2026, the Management Board was informed of the decision of the Nasdaq Stockholm Disciplinary Committee to impose a disciplinary fine of SEK 780,000 (seven hundred and eighty thousand Swedish kronor) in connection with the improper disclosure of the Issuer's current report. The decision was issued pursuant to the listing agreement entered into between the Issuer and Nasdaq Stockholm AB and constitutes a contractual sanction for a breach of the disclosure and reporting obligations applicable to issuers whose securities are listed on a market operated by Nasdaq Stockholm.

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.

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.

Composition of the supervisory and management bodies at Arctic Paper S.A.

As at 30 June 2026, the Company's Supervisory Board was composed of:

- Per Lundeen – Chairman of the Supervisory Board appointed on 14 September 2016;
- Roger Mattsson – Deputy Chairman of the Supervisory Board appointed on 16 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.

As at 30 June 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.

Pursuant to a resolution adopted on 18 May 2026, and in connection with the expiry of the current term of office of the Management Board on 29 May 2026, the Supervisory Board reappointed the existing members of the Management Board for a new three-year term of office, with no changes to its composition.

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

Changes in holdings of the Issuer's shares or rights to shares by persons managing and supervising Arctic Paper S.A.

Managing and supervising persons	Number of shares or rights to shares as at 11.08.2025	Number of shares or rights to shares as at 30.06.2026	Number of shares or rights to shares as at 12.05.2026	Change
Management Board				
Michał Jarczyński	5 572	5 572	5 572	-
Katarzyna Wojtkowiak	-	-	-	-
Tom Fabian Langenskiöld	900	900	900	-
Supervisory Board				
Per Lundeen	34 760	34 760	34 760	-
Thomas Onstad	2 823 658	2 823 658	5 323 658	(2 500 000)
Roger Mattsson	-	-	-	-
Zofia Dzik	-	-	-	-
Anna Jakubowski	-	-	-	-

***Figures in the table do not include shares held indirectly

Apart from the change shown in the table above, the shareholdings of the Company's management and supervisory personnel have remained unchanged since the publication of the last interim report, i.e. the report for Q1 2026 on 12 May 2026.

Information on sureties and guarantees

In connection with the term and revolving credit facility agreement signed on 31 October 2025, the Company signed agreements and declarations pursuant to which the above receivables and other claims were secured in favour of Bank BNP Paribas Bank Polska S.A. acting as Security Agent, i.e.

1. under Polish law – Collateral Documents establishing the following Collateral:
   - financial and registered pledges on all shares or interests held by the Company and Arctic Paper Kostrzyn SA registered in Poland, with the exception of the Company's shares;
   - mortgages on all real properties located in Poland and owned by the Guarantor;
   - registered pledges on all material rights and movable assets owned by the Guarantors, constituting an organised part of enterprise, located in Poland (with the exception of the assets listed in the Loan Agreement);
   - assignment of (existing and future) insurance policies relating to the assets of the Company Arctic Paper Kostrzyn S.A. (with the exception of the insurance policies listed in the Loan Agreement);
   - declarations by the Company and Arctic Paper Kostrzyn S.A. on voluntary submission to enforcement, in the form of a notary deed;
   - financial pledges and registered pledges on the bank accounts of the Company and Arctic Paper Kostrzyn S.A. registered in Poland (the pledges relate to current and future bank accounts; in the event of an event of default, in the event that the pledged receivable or part thereof becomes due, the Company may not draw funds from the pledged receivable, nor may it instruct the bank maintaining the account to disburse the funds);
   - powers of attorney to the Polish bank accounts of the Company and Arctic Paper Kostrzyn S.A.;
   - civil surety for liabilities granted by Arctic Paper S.A., Arctic Paper Kostrzyn S.A., Arctic Paper Munkedals AB, Arctic Paper Grycksbo AB.

2. under Swedish law – Collateral Documents establishing the following Collateral:
   - pledges over all the Company's and Arctic Paper Munkedals AB, Arctic Paper Grycksbo AB shares or interests registered in Sweden;
   - mortgages on all real properties located in Sweden and owned by Arctic Paper Munkedals AB, Arctic Paper Grycksbo AB, provided that only existing mortgage deeds are subject to such security;
   - corporate mortgage loans granted by the Guarantors registered in Sweden as long as such collateral covers solely the existing mortgage deeds;
   - assignment of (existing and future) insurance policies covering the assets of Arctic Paper Munkedals AB and Arctic Paper Grycksbo AB (with the exception of insurance policies listed in the Loan Agreement);
   - pledges on Swedish bank accounts of Arctic Paper Munkedals AB and Arctic Paper Grycksbo AB, as long as such collateral is without prejudice to free management of funds deposited on bank accounts until an event of default specified in the Loan Agreement.

Apart from the above, as at 30 June 2026 the Group disclosed:

1. security over the assets of Rottneros AB for its liabilities with Danske Bank – these are:
   - pledge on assets for SEK 889,162 thousand (PLN 344,550);
   - promissory notes amounting to SEK 941,892 thousand (PLN 364,983 thousand)
2. security over the assets on account of Apower's liabilities with Nordea Bank – these are:
   - mortgage on assets for SEK 68,000 thousand (PLN 26,350 thousand).

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.

Information on remuneration of the entity authorised to audit the financial statements

On 08 August 2025, Arctic Paper S.A. contracted with PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k. to review the Company's interim separate consolidated financial statements and the Group's interim consolidated financial statements for the periods from 1 January 2025 to 30 June 2025 and from 1 January 2026 to 30 June 2026, and to audit the Company's stand-alone financial statements and the Group's consolidated financial statements for the financial periods from 1 January 2025 to 31 December 2025 and for the financial periods from 1 January 2026 to 31 December 2026. The agreement was entered into for the duration of the provision of the aforementioned services: the review of the Company's interim separate financial statements and interim consolidated financial statements.

Statements of the Management Board

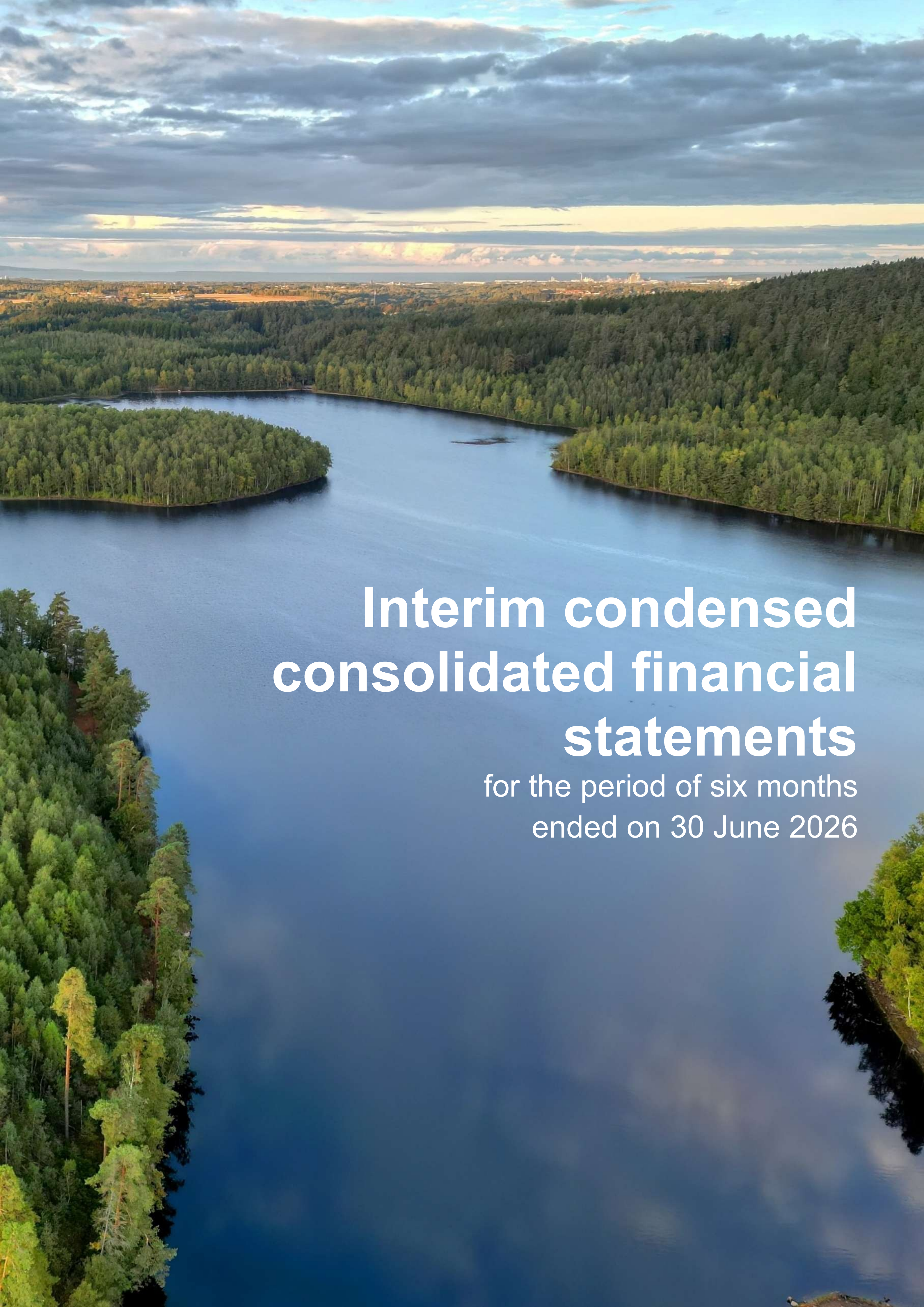
Accuracy and reliability of the presented reports

Members of the Management Board of Arctic Paper S.A. represent that to the best of their knowledge:

- The interim condensed consolidated financial statements for the period of 6 months ended on 30 June 2026 of the Arctic Paper S.A. Capital Group and the comparable data and the interim condensed separate financial statements for the period of 6 months ended on 30 June 2026 of the Arctic Paper S.A. Capital Group and the comparable data have been prepared in compliance with the applicable accounting standards and that they reflect in a true, reliable and clear manner the economic and financial condition of the Capital Group and its financial results for the period of the first 6 months of 2026.
- The Management Board's Report from operations of the Arctic Paper S.A. Capital Group to the report for H1 2026 contains a true image of the development, achievements and condition of the Arctic Paper S.A. Capital Group, including a description of core hazards and risks.

Signatures of the Members of the Management Board

Position	First and last name	Date	Signature
President of the Management Board CEO	Michał Jarczyński	11 August 2026	signed with a qualified electronic signature
Member of the Management Board Chief Financial Officer	Katarzyna Wojtkowiak	11 August 2026	signed with a qualified electronic signature
Member of the Management Board Vice-President for Sales and Marketing	Fabian Langenskiöld	11 August 2026	signed with a qualified electronic signature



Interim condensed consolidated financial statements

for the period of six months
ended on 30 June 2026

Interim condensed consolidated financial statements

Interim condensed consolidated statement of profit or loss

	Note	3-month period ended on 30 June 2026 (unaudited)	6-month period ended on 30 June 2026 (unaudited)	3-month period ended on 30 June 2025 (unaudited)	6-month period ended on 30 June 2025 (unaudited)
Continuing operations					
Revenue from sales of paper and pulp	9.1.	750 827	1 564 818	833 455	1 656 225
Sales revenue		750 827	1 564 818	833 455	1 656 225
Costs of sales	9.2.	(676 964)	(1 422 809)	(750 681)	(1 459 067)
Profit/(loss) on sales		73 863	142 009	82 774	197 158
Selling and distribution costs	9.2.	(89 741)	(181 986)	(87 685)	(175 542)
Administrative expenses	9.2.	(25 393)	(51 770)	(36 307)	(72 229)
Other operating income	9.2.	23 551	56 104	20 595	43 608
Other operating expenses	9.2.	(11 975)	(30 215)	(67 874)	(91 316)
Operating profit/(loss)		(29 694)	(65 858)	(88 497)	(98 321)
Finance income	9.2.	1 257	4 011	1 455	2 806
Finance costs	9.2.	(4 695)	(9 418)	(2 051)	(21 118)
Gross profit/(loss)		(33 132)	(71 264)	(89 092)	(116 632)
Income tax	9.2.	(3 750)	869	14 067	17 787
Net profit/(loss) for the financial year		(36 882)	(70 395)	(75 025)	(98 845)
Attributable to:					
The shareholders of the Parent Company		(34 415)	(55 798)	(45 423)	(58 846)
To the non-controlling shareholder		(2 467)	(14 597)	(29 602)	(40 000)
Earnings per share:					
– basic earnings from the profit/(loss) attributable to the shareholders of the Parent Company	12.	(0,50)	(0,81)	(0,66)	(0,85)
– diluted earnings from the profit attributable to the shareholders of the Parent Company	12.	(0,50)	(0,81)	(0,66)	(0,85)

Interim condensed consolidated statement of comprehensive income

	3-month period ended on 30 June 2026 (unaudited)	6-month period ended on 30 June 2026 (unaudited)	3-month period ended on 30 June 2025 (unaudited)	6-month period ended on 30 June 2025 (unaudited)
Profit for the reporting period	(36 882)	(70 395)	(75 025)	(98 845)
Other comprehensive income				
Items to be reclassified to profit/(loss) in future reporting periods:				
Foreign exchange differences on translation of foreign operations	(15 521)	(6 575)	(16 488)	27 823
Measurement of financial instruments	12 620	19 469	9 991	(3 525)
Deferred tax on the measurement of financial instruments	(1 235)	(3 491)	(1 608)	381
Items that were reclassified to profit/(loss) during the reporting period:				
Measurement of financial instruments	(485)	3 560	1 831	1 947
Deferred tax on the measurement of financial instruments	(972)	(972)	(1 039)	(331)
Other net comprehensive income	(5 592)	11 992	(7 313)	26 294
Total comprehensive income for the period	(42 473)	(58 403)	(82 338)	(72 551)
Total comprehensive income attributable to:				
The shareholders of the Parent Company	(40 080)	(46 239)	(50 535)	(38 804)
Non-controlling shareholders	(2 394)	(12 164)	(31 803)	(33 747)

Interim condensed consolidated statement of financial position – assets

	Note	As at 30 June 2026 (unaudited)	As at 31 December 2025 (unaudited)
ASSETS			
Non-current assets			
Property plant and equipment	13.	1 504 618	1 527 706
Intangible assets	13.	78 786	78 446
Goodwill	13.	8 138	8 207
Interest in joint ventures		2 019	5 203
Other financial assets	14.	16 312	14 943
Other non-financial assets		271	1 668
Deferred tax assets	21.	6 871	6 913
TOTAL NON-CURRENT ASSETS		1 617 015	1 643 086
Current assets			
Inventories	15.	432 606	443 529
Trade and other receivables	16.	393 249	367 833
Corporate income tax receivables		27 160	22 296
Other non-financial assets		47 136	47 115
Other financial assets	14.	11 698	904
Cash and cash equivalents	10.	123 517	151 643
TOTAL CURRENT ASSETS		1 035 366	1 033 319
TOTAL ASSETS		2 652 381	2 676 405

Interim condensed consolidated statement of financial position – equity and liabilities

	Note	As at 30 June 2026 (unaudited)	As at 31 December 2025 (unaudited)
EQUITY AND LIABILITIES			
Equity			
Equity (attributable to the shareholders of the Parent Company)			
Share capital	22.	69 288	69 288
Supplementary capital		625 733	625 733
Other capital		302 271	340 310
Foreign exchange differences on translation		(104 985)	(101 862)
Retained earnings/Accumulated losses		476 959	482 037
		1 369 269	1 415 506
Non-controlling interests		269 771	281 935
TOTAL EQUITY		1 639 040	1 697 441
Non-current liabilities			
Loan payables	18.	154 692	56 060
Provisions		12 898	12 930
Employee liabilities	20.	20 011	19 920
Other financial liabilities		26 185	36 501
Deferred tax liability	21.	75 700	72 651
Grants and deferred income		3 926	4 766
		293 412	202 828
Current liabilities			
Loan payables	18.	178 911	195 019
Provisions		422	774
Other financial liabilities	24.	6 918	10 776
Trade and other payables	19.	406 275	454 527
Employee liabilities	20.	105 073	98 551
Income tax liability		269	518
Grants and deferred income		22 061	15 971
		719 929	776 136
TOTAL LIABILITIES		1 013 341	978 964
TOTAL EQUITY AND LIABILITIES		2 652 381	2 676 405

Interim condensed consolidated statement of cash flows

	Note	H1 2026	H1 2025
Cash flows from operating activities			
Gross profit/(loss) from continuing operations			
Gross profit/(loss) from continued operations			
Gross profit/(loss)		(71 457)	(116 632)
Adjustments for:		36 405	157 424
Depreciation/amortisation		76 998	67 758
Impairment of non-financial assets		-	53 424
Foreign exchange gains/(loss)		1 298	2 332
Interest, net		8 301	7 758
Profit/(loss) from investing activities		-	1 106
(Increase)/decrease in trade and other receivables		(28 169)	(18 520)
(Increase) / decrease in inventories		7 955	9 105
Increase (decrease) of liabilities except loans, borrowings, bonds and other financial liabilities		(43 664)	25 445
Change in non-financial assets		(2 064)	(6 722)
Change in provisions		(278)	94
Movement in pension provisions and employee liability		7 227	7 972
Change in grants and deferred income		5 169	2 657
Co-generation certificates and CO2 emission rights		3 713	-
Change in settlement of realised forward contracts that meet hedge accounting rules		-	5 249
Other		(81)	(234)
Total cash flows from operating activities		(35 052)	40 789
Income tax paid		(5 987)	(42 238)
Net cash flows from operating activities		(41 040)	(1 448)
Cash flows from investing activities			
Disposal of property, plant and equipment and intangible assets		-	126
Purchase of property, plant and equipment and intangible assets		(65 821)	(157 643)
Proceeds from bank deposit set up for more than 3 months		1 444	-
Net cash flows from investing activities		(64 377)	(157 517)
Cash flows from financing activities			
Inflows under loans		25 879	16 298
Change to overdraft facilities		73 318	120 323
Repayment of leasing liabilities		(3 711)	(3 677)
Repayment of loans		(15 526)	(28 051)
Interest paid		(2 599)	(1 259)
Net cash flows from financing activities		77 361	103 634
Increase/(decrease) in cash and cash equivalents		(28 056)	(55 333)
Net foreign exchange differences		(68)	1 360
Increase (decrease) in cash and cash equivalents aftereffects of exchange rate changes		(28 125)	(53 973)
Cash and cash equivalents at the beginning of the period		151 643	287 583
Cash and cash equivalents at the end of the period	10	123 517	233 606

Interim condensed 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	482 037	1 415 506	281 935	1 697 441
Net profit/(loss) for the period					(55 798)	(55 798)	(14 597)	(70 395)
Other net comprehensive income for the period	-	-	(3 123)	12 682	-	9 559	2 433	11 992
Total comprehensive income for the year	-	-	(3 123)	12 682	(55 798)	(46 239)	(12 164)	(58 403)
Profit distribution	-	-	-	(50 721)	50 721	-	-	-
Total changes in capital	-	-	(3 123)	(38 039)	(5 078)	(46 240)	(12 164)	(58 403)
As at 30 June 2026 (unaudited)	69 288	625 733	(104 985)	302 271	476 959	1 369 269	269 771	1 639 040

	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	313 428	1 768 721
Net profit/(loss) for the period	-	-	-	-	(58 846)	(58 846)	(40 001)	(98 847)
Other net comprehensive income for the period	-	-	21 569	(1 530)	-	20 039	6 253	26 293
Total comprehensive income for the year	-	-	21 569	(1 530)	(58 846)	(38 807)	(33 747)	(72 554)
Profit distribution	-	-	-	197 292	(197 292)	-	-	-
As at 30 June 2025 (unaudited)	69 288	625 733	(122 828)	334 511	509 782	1 416 487	279 680	1 696 167

Additional notes to the interim condensed consolidated financial statements

provided on pages 34 to 56 constitute an integral part hereof

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-containing uncoated paper for printing houses, paper distributors, book and magazine publishing houses and the advertising industry. The Arctic Paper Group employs around 1,500 people in its paper mills, paper sales and pulp companies, purchasing office and food packaging company. Our Paper Mills are located in Poland and in Sweden. Pulp Mills are located in Sweden. The Group had 14 Sales Offices providing access to all European markets, including Central and Eastern Europe and North America. Our consolidated sales revenue for the period of 6 months of 2026 amounted to PLN 1,565 million.

Arctic Paper S.A. 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 have become the properties of Arctic Paper S.A. Previously they were owned by Trebruk AB (formerly Arctic Paper AB), the parent company of Arctic Paper S.A. In addition, under the expansion, the Group acquired the Paper Mill Arctic Paper Mochenwangen (Germany) in November 2008 and the Paper Mill Grycksbo (Sweden) in March 2010. In 2012, the Group acquired shares in Rottneros AB, a NASDAQ-listed company in Stockholm with interests in two pulp mills (Sweden).In 2020, the Group took control of Nykvist Skogs AB, a company of private forest owners in Sweden.

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

The interim condensed consolidated financial statements of the Group with respect to the interim condensed consolidated statement of profit or loss, statement of comprehensive income, statement of cash flows and statement of changes to equity and notes to the interim condensed consolidated statement of comprehensive income and interim condensed consolidated statement of profit and loss cover the period of 6 months ended on 30 June 2026 and contain comparable data for the period of 6 months ended on 30 June 2025; and in the consolidated statement of financial condition, it presents data as at 30 June 2026 and as at 31 December 2025.
The interim condensed consolidated statement of total comprehensive income the interim condensed consolidated statement of profit or loss also include data for the three months ended 30 June 2026 and comparative data for the three months ended 30 June 2025.

1.1 Group Profile

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:

- 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 30 June 2026) 43,874,890 shares of our Company, which constitutes 64.19% of its share capital and corresponds to 64.19% 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 2,823,658 shares representing 4.07% 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 holding in the capital of Arctic Paper S.A. as at 30 June 2026 was 68.26% and has not changed until the date hereof.

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	Group Profile	Group's interest in the equity of the subsidiaries as at			
			11 August 2026	30 June 2026	12 May 2026	31 December 2025
Arctic Paper Kostrzyn S.A.	Poland, Fabryczna 1, 66-470 Kostrzyn nad Odrą	Paper production	100%	100%	100%	100%
Arctic Paper Munkedals AB	Sweden, SE 455 81 Munkedal	Paper production	100%	100%	100%	100%
Arctic Paper Mochenwangen GmbH	Germany, Am Sandtorkai 72, D-20457 Hamburg	Non-operating company, previously paper production	99,74%	99,74%	99,74%	99,74%
Arctic Paper Grycksbo AB	Sweden, Box 1, SE 790 20 Grycksbo	Paper production	100%	100%	100%	100%
Arctic Paper UK Limited	UK, Arctic Paper UK Ltd 222 Bishopsgate,London,EC2M 4QD	Trading company	100%	100%	100%	100%
Arctic Paper Baltic States SIA	Latvia, K. Vardemara iela 33-20, Riga LV-1010	Trading company	100%	100%	100%	100%
Arctic Paper Deutschland GmbH	Germany, Am Sandtorkai 72, D-20457 Hamburg	Trading company	100%	100%	100%	100%
Arctic Paper Benelux S.A.	Belgium, Interleuvenlaan 62 bus 14, B-3001 Heverlee	Trading company	100%	100%	100%	100%
Arctic Paper Schweiz AG	Switzerland, Gutenbergstrasse 1, CH-4552 Derendingen	Trading company	100%	100%	100%	100%
Arctic Paper Italia srl	Italy, Via Chiaravalle 7, 20 122 Milan	Trading company	100%	100%	100%	100%
Arctic Paper Danmark A/S	Denmark, Korskildelund 6 DK-2670 Greve	Trading company	100%	100%	100%	100%
Arctic Paper France SAS	France, 30 rue du Chateau des Rentiers, 75013 Paris	Trading company	100%	100%	100%	100%
Arctic Paper Espana SL	Spain, Avenida Diagonal 472-474, 9-1 Barcelona	Trading company	100%	100%	100%	100%
Arctic Paper Papierhandels GmbH	Austria, Hainborgerstrasse 34A, A-1030 Wien	Trading company	100%	100%	100%	100%
Arctic Paper Polska Sp. z o.o.	Poland, Okrężna 9, 02-916 Warszawa	Trading company	100%	100%	100%	100%
Arctic Paper Norge AS	Norway, Eikenga 11-15, NO-0579 Oslo	Trading company	100%	100%	100%	100%
Arctic Paper Sverige AB	Sweden, SE 455 81 Munkedal	Trading company	100%	100%	100%	100%
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%	100%	100%	100%
Arctic Paper Investment GmbH *	Germany, Am Sandtorkai 72, D-20457 Hamburg	Activities of holding companies	100%	100%	100%	100%

Unit	Registered office	Group Profile	Group's interest in the equity of the subsidiaries as at			
			12 August 2026	30 June 2026	12 May 2026	31 December 2025
Arctic Paper Finance AB	Sweden, Box 383, 401 26 Göteborg	Activities of holding companies	100%	100%	100%	100%
Arctic Paper Investment AB **	Sweden, Box 383, 401 26 Göteborg	Activities of holding companies	100%	100%	100%	100%
Arctic Power AB	Sweden, 455 81 Munkedal	Production of hydropower	100%	100%	100%	100%
Kostrzyn Packaging Spółka z o.o.	Poland, ul. Fabryczna 1, 66-470 Kostrzyn nad Odrą	Production of packaging	77,5%	77,5%	77,5%	77,5%
Rottneros AB	Sweden, Söderhamn	Activities of holding companies	55,02%	55,02%	55,02%	55,02%
Rottneros Bruk AB	Sweden, Rottneros	Pulp production	55,02%	55,02%	55,02%	55,02%
Utansjo Bruk AB	Sweden, Söderhamn	Non-operating company	55,02%	55,02%	55,02%	55,02%
Vallviks Bruk AB	Sweden, Vallvik	Pulp production	55,02%	55,02%	55,02%	55,02%
Nykvist Skogs AB	Sweden, Gräsmark	Company grouping forest owners	55,02%	55,02%	55,02%	55,02%
Rottneros Packaging AB	Sweden, Sunne	Production of food packaging	55,02%	55,02%	55,02%	55,02%
SIA Rottneros Baltic	Latvia, Ventspils	Procurement bureau	55,02%	55,02%	55,02%	55,02%
Arctic Paper Fiber Solutions, INC.	USA, Corporation Trust Centre 1209 Orange Street, City of Wilmington, New Castle County, State of Delaware 19801	Trading company	100%	100%	100%	100%
Project Frost APM AB	Sweden, SE 455 81 Munkedal	Energy storage	100%	100%	100%	100%
Project Frost APG AB	Sweden, SE 455 81 Munkedal	Energy storage	100%	100%	100%	100%

* – 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 30 June 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 30 June 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.

Pursuant to a resolution adopted on 18 May 2026, and in connection with the expiry of the current term of office of the Management Board on 29 May 2026, the Supervisory Board reappointed the existing members of the Management Board for a new three-year term of office, with no changes to its composition.

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

3.2 Supervisory Board of the Parent Company

As at 30 June 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.

4. Approval of the financial statements

These interim condensed consolidated financial statements were approved for publication by the Management Board on 11 August 2026.

5. Basis of preparation of the interim condensed consolidated financial statements

These condensed 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 interim condensed 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 interim condensed consolidated financial statements have been prepared based on the assumption that the Group will continue as a going concern in the foreseeable future.

The interim condensed 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.

The Management Board has assessed the Group's going concern assumption for the foreseeable future.

As part of this assessment, an evaluation was carried out of the Group's overall working capital position, including the distribution of cash amongst its subsidiaries and any restrictions on the transfer of funds outside the Group. Where appropriate, the Management Board has considered the ability of subsidiaries to pay dividends or transfer funds in other ways in order to meet the Group's obligations.

The Management Board has prepared a cash flow forecast covering at least twelve months from the date of approval of the consolidated financial statements. The forecast is based on approved budgets, historical trends, current market conditions and contracts in force as at the date of the assessment.

The forecasts cover projected cash inflows from operating activities, capital expenditure requirements, debt servicing obligations and changes in working capital within the Group. Unless specified otherwise, all amounts are in PLN '000.

Based on this analysis, the Management Board expects the Group to maintain sufficient liquidity to meet its obligations as they fall due throughout the assessment period. Having taken into account the Group's consolidated financial position, projected cash flows, intra-group financing capacity, sensitivity analysis and all material information available as at the date of approval of the consolidated financial statements, the Management Board concludes that the assumption that the Group will continue as a going concern in the foreseeable future is reasonable.

6. Significant accounting principles (policies)

The accounting principles (policies) applied to prepare the interim condensed consolidated financial statements are compliant with those applied to the annual consolidated financial statements of the Group for the year ended on 31 December 2025, except for those presented below.

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

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

- 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).

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.

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

In December 2024, the Council 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 (PPA). 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

6.1 Published standards and interpretations not yet in force and not previously applied by the Group

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

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

a) IFRS 18 “Presentation and Disclosures in Financial Statements”

In April 2024, the Council 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.

b) 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 consolidated financial statements, these amendments have not yet been approved by the European Union.

c) Amendments to 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 consolidated financial statements, these amendments have not yet been approved by the European Union

d) Amendments to IAS 28 “Investments in Associates and Joint Ventures”

In June 2026, the International Accounting Standards Board published targeted amendments to IAS 28 “Investments in Associates and Joint Ventures”. These amendments clarify which investments in associates and joint ventures may be measured at fair value in accordance with the option provided for in IAS 28.

The amendments were introduced in response to differences in interpretation regarding the relationship between the option to measure at fair value provided for in IAS 28 and the new requirements of IFRS 18 “Presentation and Disclosures in Financial Statements”, in particular with regard to the classification of revenue and expenses in the Statement of profit or loss.

The amendments will take effect from the date on which an entity first applies IFRS 18, which will generally be for annual reporting periods beginning on or after 1 January 2027. Earlier application is also permitted if an entity decides to adopt IFRS 18 early.

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

e) Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates – Translation into the Presentation Currency in Hyperinflationary Economies"

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 consolidated financial statements, these amendments have not yet been approved by the European Union.

f) IFRS 20 “Regulatory Assets and Regulatory Liabilities”

In May 2026, the International Accounting Standards Board published a new standard, IFRS 20 Regulatory Assets and Regulatory Liabilities. The standard has been developed for companies operating in regulated sectors and is intended to help investors better understand how tariff regulations affect the financial performance, financial position and future cash flow prospects of regulated companies.

IFRS 20 introduces uniform rules for recognising the effects of timing differences relating to regulated rates, which arise when the timing of the provision of regulated services differs from the timing of the collection of fees from customers. In such cases, the revenue reported to date may not have fully reflected the company’s actual operating activities. The new standard requires these differences to be recognised in the financial statements.

The standard will be particularly important for organisations providing essential services in sectors such as energy, gas, water, motorway and rail infrastructure, airport services, postal services and other regulated sectors.

The standard supplements the requirements of IFRS 15 Revenue from Contracts with Customers and replaces the previous IFRS 14 Deferred Balances from Regulated Activities, which has not been endorsed by the European Union.

In accordance with the provisions of IFRS 20, it is due to come into force for reporting periods beginning on or after 1 January 2029, although earlier application is permitted.

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

g) IFRS 14 “Regulatory accruals”

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.

h) 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, on the other hand, the assets do not meet the definition of a business, the investor only recognises a gain or loss to the extent of the portion representing the interests of 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 or loss and reclassify certain items to financing or investing activities.

6.2 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 exchange rates prevailing on the transaction date. Non-monetary foreign currency assets and liabilities 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 total 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 30 June 2026	As at 30 June 2025
USD	3,7708	3,6164
EUR	4,2963	4,2419
SEK	0,3875	0,3810
DKK	0,5748	0,5686
NOK	0,3801	0,3590
GBP	4,9887	4,9546
CHF	4,6585	4,5336

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

	01.01 – 30.06.2026	01.01 – 30.06.2025
USD	3,6381	3,8763
EUR	4,2432	4,2313
SEK	0,3933	0,3816
DKK	0,5679	0,5671
NOK	0,3800	0,3628
GBP	4,8921	5,0231
CHF	4,6236	4,4950

7. Seasonality

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

8. Information on business segments

Operational segments cover continuing activities. The Group's principal activity is the manufacture 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 pulp mill (Sweden) – mainly produces chemothermo-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. This type of paper is used for printing magazines with the use of rotogravure or offset printing techniques. The Group's products in this segment are usually used for printing paperbacks, Coated paper – coated 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 on-line and off-line, and can be supplemented by super-calendering to ensure a smooth surface. Coating improves the printing quality of photographs 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 chemothermo-mechanical pulp (CTMP), which is mainly used in the production of printing and writing paper.

The division of the business segments into paper and pulp is dictated by the following considerations:

- 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 specific 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 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 losses to 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 under continuing operations, split by segments of the Group for the period of 6 months ended on 30 June 2026 and as at 30 June 2026.

6-month period ended on 30 June 2026 and on 30 June 2026

	Paper	Pulp	Total	Exclusions	Total continuing operations
Revenue					
Sales to external customers	1 087 409	477 408	1 564 818		1 564 818
Sales between segments	-	7 866	7 866	(7 866)	-
Total segment revenue	1 087 409	485 274	1 572 683	(7 866)	1 564 818
Result of the segment					
EBITDA	13 998	(2 054)	11 944	(804)	11 140
Depreciation/amortisation	(47 729)	(29 269)	(76 998)	-	(76 998)
Operating profit/(loss)	(33 732)	(31 323)	(65 054)	(804)	(65 858)
Interest income	189	181	369	-	369
Interest expense	(2 818)	(5 844)	(8 662)	-	(8 662)
Foreign exchange gains and other finance income	2 082	365	2 446	1 196	3 642
Foreign exchange losses and other finance costs	(719)	(37)	(756)	-	(756)
Gross profit	(34 998)	(36 658)	(71 656)	392	(71 264)
Assets of the segment	1 771 623	882 531	2 654 154	(1 773)	2 652 381
Liabilities of the segment	562 190	377 873	940 063	73 278	1 013 341
Capital expenditures	(61 652)	(4 256)	(65 908)	-	(65 908)
Interest in joint ventures	2 019	-	2 019	-	2 019

- Revenue from inter-segment transactions is eliminated on consolidation.
- Segment results do not include finance income (PLN 4,011 thousand of which PLN 369 thousand is interest income) and finance costs (PLN 9,418 thousand of which PLN 8,662 thousand is interest expense), depreciation/amortisation and impairment (PLN 76,998 thousand) as well as income tax credits (PLN 869 thousand).
- Segment assets do not include deferred tax (PLN 6,871 thousand), as this item is managed at Group level and interests in joint ventures (PLN 2,019 thousand).
- Segment liabilities do not include deferred tax (PLN 75,700 thousand), as this item is managed at 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 30 June 2026 and as at 30 June 2026.

3-month period ended on 30 June 2026 and on 30 June 20256

	Paper	Pulp	Total	Exclusions	Total continuing operations
Revenue					
Sales to external customers	514 015	236 811	750 827	-	750 827
Sales between segments	-	2 321	2 321	(2 321)	-
Total segment revenue	514 015	239 133	753 148	(2 321)	750 827
Result of the segment					
EBITDA	(7 825)	12 120	4 295	4 281	8 576
Depreciation/amortisation	(23 908)	(14 362)	(38 270)	-	(38 270)
Operating profit/(loss)	(31 734)	(2 242)	(33 975)	4 281	(29 694)
Interest income	88	93	180	-	180
Interest expense	(1 434)	(2 872)	(4 306)	-	(4 306)
Foreign exchange gains and other finance income	254	(365)	(111)	1 187	1 076
Foreign exchange losses and other finance costs	(377)	(11)	(389)	-	(389)
Gross profit	(33 939)	(4 667)	(38 606)	5 475	(33 132)
Assets of the segment	1 771 623	882 531	2 654 154	(1 773)	2 652 381
Liabilities of the segment	562 190	377 873	940 063	73 278	1 013 341
Capital expenditures	(61 652)	(4 256)	(65 908)	-	(65 908)
Interest in joint ventures	2 019	-	2 019	-	2 019

— Revenue from inter-segment transactions is eliminated on consolidation.
— Segment results do not include financial income (PLN 1,256 thousand of which PLN 180 thousand is interest income) and finance costs (PLN4,695 thousand of which PLN 4,306 thousand is interest expense), depreciation/amortisation and impairment (PLN 38,270 thousand) as well as income tax credits (PLN 3,750 thousand).
— Segment assets do not include deferred tax (PLN 6,871 thousand), as this item is managed at Group level and interests in joint ventures (PLN 2,019 thousand).
— Segment liabilities do not include deferred tax (PLN 75,700 thousand), as this item is managed at 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 6 months ended on 30 June 2025 and as at 30 June 2025.

6-month period ended on 30 June 2025 and on 30 June 2025

	Paper	Pulp	Total	Exclusions	Total continuing operations
Revenue					
Sales to external customers	1 130 290	525 935	1 656 225	-	1 656 225
Sales between segments	-	-	-	-	-
Total segment revenue	1 130 290	525 935	1 656 225	-	1 656 225
Result of the segment					
EBITDA	46 428	(15 899)	30 529	(7 669)	22 860
Depreciation/amortisation	(42 204)	(25 335)	(67 539)	(219)	(67 758)
Impairment of non-financial non-current assets		(53 424)	(53 424)	-	(53 424)
Operating profit/(loss)	4 224	(94 658)	(90 434)	(7 888)	(98 322)
Interest income	2 206	167	2 373	(130)	2 243
Interest expense	(3 271)	(5 921)	(9 192)	1 643	(7 549)
Foreign exchange gains and other finance income	-	559	559	-	559
Foreign exchange losses and other finance costs	(182 794)	(50)	(182 844)	169 279	(13 564)
Gross profit	(179 634)	(99 903)	(279 537)	162 904	(116 634)
Assets of the segment	1 833 148	1 064 180	2 897 328	(127 581)	2 769 747
Liabilities of the segment	736 465	478 150	1 214 615	(221 614)	993 001
Capital expenditures	(96 893)	(82 286)	(179 180)	(707)	(179 887)
Interest in joint ventures	5 123	-	5 123	-	5 123

- Revenue from inter-segment transactions is eliminated on consolidation.
- Segment results do not include finance income (PLN 2,806 thousand of which PLN 2,243 thousand is interest income) and finance costs (PLN 21,118 thousand of which PLN 7,549 thousand is interest expense), depreciation/amortisation and impairment (PLN 98,322 thousand) as well as income tax credits (PLN 17,787 thousand).
- Segment assets do not include deferred tax (PLN 6,449 thousand), as this item is managed at Group level and interests in joint ventures (PLN 5,123 thousand).
- Segment liabilities do not include deferred tax (PLN 92,148 thousand), as this item is managed at 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 30 June 2025 and as at 30 June 2025.

3-month period ended on 30 June 2025 and on 30 June 2025

	Paper	Pulp	Total	Exclusions	Total continuing operations
Revenue					
Sales to external customers	551 507	281 949	833 455	-	833 455
Sales between segments	-	(865)	(865)	865	-
Total segment revenue	551 507	281 084	833 455	865	833 455
	-	-	-	-	-
Result of the segment	-	-	-	-	
EBITDA	10 773	(5 861)	4 912	(4 543)	4
	-	-	-	-	-
Depreciation/amortisation	(21 343)	(13 192)	(34 535)	(111)	(34 646)
Impairment of non-financial non-current assets	-	(53 424)	(53 424)	-	(53 424)
Operating profit/(loss)	(10 570)	(72 476)	(83 412)	(4 654)	(88 066)
Interest income	1 279	100	1 379	(487)	892
Interest expense	(1 960)	(3 286)	(5 246)	784	(4 462)
Foreign exchange gains and other finance income	3 560	559	3 535	(1 119)	2 974
Gross profit	(8 056)	(75 129)	(83 185)	(5 477)	(88 661)
Assets of the segment	1 833 148	1 064 180	2 897 328	(127 581)	2 769 747
Liabilities of the segment	736 465	478 150	1 214 615	(221 614)	993 001
Capital expenditures	(96 893)	(82 286)	(179 180)	(707)	(179 887)
Interest in joint ventures	5 123	-	5 123	-	5 123

— Revenue from inter-segment transactions is eliminated on consolidation.
— Segment results do not include financial income (PLN 1,455 thousand of which PLN 892 thousand is interest income) and finance costs (PLN 2,051 thousand of which PLN 4,462 thousand is interest expense), depreciation/amortisation and impairment (PLN 88,066 thousand) as well as income tax credits (PLN 17,787 thousand).
— Segment assets do not include deferred tax (PLN 6,449 thousand), as this item is managed at Group level and interests in joint ventures (PLN 5,123 thousand).
— Segment liabilities do not include deferred tax (PLN 92,148 thousand), as this item is managed at the Group level.

9. Income and costs

9.1 Revenue from contracts with customers

The table below shows the Group's revenue from paper and pulp sales from external customers by country and region for the period of 6 months ended 30 June 2026 and 30 June 2025:

Revenue from the sale of paper and pulp from external customers:	6-month period ended on 30 June 2026 (unaudited)	6-month period ended on 30 June 2025 (unaudited)
Germany	262 499	276 557
France	92 785	114 355
UK	124 096	140 905
Scandinavia	265 880	295 344
Western Europe (other countries)	225 986	201 221
Poland	185 049	188 101
Central and Eastern Europe (other than Poland)	240 172	247 255
Outside Europe	168 351	192 485
Total revenue	**1 564 818**	**1 656 225**

More information on revenue from paper and pulp sales is described in this Semi-Annual report, under Management Report, Summary of Consolidated Financial Results.

9.2 Costs, other income, income tax

In H1 2026, the cost of sales amounted to PLN 1,422,809 thousand (in H1 2025: (PLN 1,459,067 thousand) and fell by PLN 36,259 thousand (-2%), mainly due to a fall in variable production costs.

In H1 2025, the selling and distribution costs amounted to PLN 181,986 thousand (in H1 2025: PLN 175,545 thousand) and increased by PLN 6,440 thousand (+4%), mainly due to an increase in transport costs.

In H1 2026, the administrative expenses amounted to PLN 51,770 thousand (in H1 2025: PLN 72,230 thousand) and decreased by PLN 20,459 thousand (-3%) mainly due to a decrease in the cost of consultancy services provided to the Group.

In H1 2026, the other operating income amounted to PLN 56,104 thousand (in H1 2025: PLN 43,611 thousand) and increased by PLN 12,493 thousand (+3%).
In H1 2026, the other operating expenses amounted to PLN 30,215 thousand (in H1 2025: PLN 91,315 thousand) and fell by PLN 61,100 thousand(67%). The decrease in other operating costs is mainly due to the recognition of an impairment loss on the Rottneros Group's assets in H1 2025 (PLN 53,424 thousand).
A significant part of other operating income and expenses is also made up of income and cost of energy and other materials sold.

In H1 2026, the financial income amounted to PLN 4,011 thousand (in H1 2025: PLN 2,806 thousand) and increased by PLN 1,205 thousand (+43%).
In H1 2026, the finance costs amounted to PLN 9,418 thousand (in H1 2025: PLN 21,123 thousand) and decreased by PLN 11,705 thousand (-55%).

The changes in financial income and expenses are mainly due to foreign exchange differences.

Income tax in H1 2026 amounted to PLN +869 thousand (in H1 2025 it amounted to PLN +17,787 thousand).
The current portion of income tax amounted to PLN -572 thousand in the half-year under review (H1 2025: PLN -1,414 thousand), while the deferred portion was PLN +1,441 thousand (H1 2025: PLN +19,201 thousand).

10. Cash and cash equivalents

For the purposes of the interim condensed consolidated statement of cash flows, cash and cash equivalents include the following items:

	As at 30 June 2026 (unaudited)	As at 31 December 2025 (unaudited)
Cash in bank and on hand	122 625	151 642
Cash and cash equivalents in the consolidated balance sheet	893	-
Cash and cash equivalents in the consolidated statement of cash flows	123 517	151 642

11. Dividend paid and proposed

Dividend is paid based on the net profit disclosed in the separate annual financial statements of Arctic Paper S.A. after covering losses carried forward from last 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. Risks relating to the Company’s ability to pay dividends are described in the Risk Factors section of the annual report for 2024.

In connection with the term and revolving loan agreements signed on 31 October 2025, the Company’s ability to pay dividends is subject to the Group meeting certain financial ratio in the period prior to payment (as that term is defined in the term and revolving credit facility agreement) and there being no event of default (as that term is defined in the term 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.

12. Earnings/(loss) per share

Earnings/(loss) per share are established by dividing the net profit/(loss) 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/(loss) and the number of shares which constituted the basis to calculate earnings/(loss) per share and diluted earnings/(loss) per share on continuing operations and overall operations is presented below:

	3-month period ended on 30 June 2026 (unaudited)	6-month period ended on 30 June 2026 (unaudited)	3-month period ended on 30 June 2025 (unaudited)	6-month period ended on 30 June 2025 (unaudited)
Net profit/(loss) from continuing operations attributable to the shareholders of the Parent Company	(34 415)	(55 798)	(45 423)	(58 846)
Net profit/(loss) attributable to the shareholders of the Parent Company	(34 415)	(55 798)	(45 423)	(58 846)
Number of ordinary shares – A series	50 000	50 000	50 000	50 000
Number of ordinary shares – B series	44 253 500	44 253 500	44 253 500	44 253 500
Number of ordinary shares – C series	8 100 000	8 100 000	8 100 000	8 100 000
Number of ordinary shares – E series	3 000 000	3 000 000	3 000 000	3 000 000
Number of ordinary shares – F series	13 884 283	13 884 283	13 884 283	13 884 283

Total number of shares	69 287 783	69 287 783	69 287 783	69 287 783
Weighted average number of shares	69 287 783	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	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	(0.50)	(0.81)	(0.66)	(0.85)
Diluted profit/(loss) per share (in PLN)				
– from the profit/(loss) for the period attributable to the shareholders of the Parent Company	(0.50)	(0.81)	(0.66)	(0.85)

13. Property plant and equipment, intangible assets, goodwill and impairment

13.1 Property plant and equipment, intangible assets and goodwill

The net value of property plant and equipment as at 30 June 2026 amounted to PLN 1,504,618 thousand, including right-of-use assets of PLN 20,440 thousand. The net value of property plant and equipment as at 31 December 2025 was PLN 1,527,708 thousand, including right-of-use assets of PLN 22,880 thousand.

A comparison of movements in property plant and equipment (excluding assets to be used) for the first six months of 2026 with the corresponding period of 2025 is as follows: the value of property plant and equipment acquired in the period under review amounted to PLN 65,399 thousand (for the six months ended 30 June 2025 it amounted to PLN 114,280 thousand). The net value of property plant and equipment sold or disposed of for the period of 6 months ended 30 June 2025 amounted to PLN 0 thousand (for the period of 6 months ended 30 June 2025 it amounted to PLN 1.577 thousand). Depreciation and amortisation in the period of 6 months ended 30 June 2026 amounted to PLN 71,831 thousand (for the period of 6 months ended 30 June 2025 it amounted to PLN 64,878 thousand. Foreign exchange differences amounted to PLN -7,514 thousand for the period of 6 months ended 30 June 2026 (for the period of 6 months ended 30 June 2025 they amounted to PLN 18,615 thousand).

A comparison of movements in assets held for use for the first six months of 2026 with the corresponding period of 2025 is as follows: increases for the six-month period ended 30 June 2026 amounted to PLN 1,010 thousand (for the six-month period ended 30 June 2025, they amounted to PLN 1,376,000), depreciation for the six months ended 30 June 2026 amounted to PLN 3,426 thousand (for the six months ended 30 June 2025, it amounted to PLN 3,289,000), write-downs for the six-month period ended 30 June 2026 amounted to PLN 153 thousand (for the six-month period ended 30 June 2025, they amounted to PLN 17,000). Exchange differences for the period of 6 months ended 30 June 2026 amounted to PLN 130 thousand (for the period of 6 months ended 30 June 2025 they amounted to PLN 126 thousand).

The net value of intangible assets at 30 June 2026 amounted to PLN 78,786 thousand (31 December 2025: PLN 73,050 thousand) The value of acquired intangible assets in the period under review amounted to PLN 17,174 thousand (for the period of 6 months ended 30 June 2025 it amounted to PLN 33,643 thousand). The net value of intangible assets sold or disposed of for the period of 6 months ended 30 June 2026 amounted to PLN 14,322 thousand (for the period of 6 months ended 30 June 2025 it amounted to PLN 6,320 thousand). The depreciation charge in the period of 6 months ended 30 June 2026 amounted to PLN 2,282 thousand (for the period of 6 months ended 30 June 2025 it amounted to PLN 110 thousand). The impairment loss on intangible assets in the period of 6 months ended 30 June 2026 amounted to PLN 0 thousand (for the period of 6 months ended 30 June 2025 it amounted to PLN 0 thousand). Exchange differences for the period of 6 months ended 30 June 2026 amounted to PLN -229 thousand (for the period of 6 months ended 30 June 2025 they amounted to PLN 692 thousand).

Goodwill as at 30 June 2026 amounted to PLN 8,138 thousand (31 December 2025: PLN 8,001 thousand). The change in its value in H1 2026 was affected only by exchange rate differences of PLN 137 thousand (H1 2025: PLN 166 thousand).

Revenue from the sale of property plant and equipment and intangible assets in H1 2026 amounted to PLN 153 thousand (H1 2025: PLN 108 thousand).

13.2 Impairment of non-financial assets

As at 30 June 2026, the Group did not identify any indicators of impairment of assets or cash-generating units ("CGUs") relating to the operations of Arctic Paper Kostrzyn, Arctic Paper Munkedals and Arctic Paper Grycksbo. Consequently, the Group did not perform impairment testing for these CGUs.

These CGUs do not include any material consolidated goodwill or trademarks with indefinite useful lives that are subject to annual impairment testing irrespective of whether indicators of impairment exist.

The impairment assessment relating to the assets of the Rottneros Group as at 30 June 2026 is described separately below.

As at 31 December 2025, the Group performed an impairment test of the cash-generating unit comprising the operations of the Rottneros Group using the discounted cash flow ("DCF") method. The test did not result in the recognition of an impairment loss, nor did it require any adjustment to previously recognized impairment charges.

Rottneros Group

As As at 30 June 2026, 31 December 2025 and 30 June 2025, the Parent Company performed impairment testing using the discounted cash flow (DCF) method.

As at 30 June 2025, the Rottneros Group carried out an impairment test of assets attributable to the Rottneros Mill. The test indicated the need to recognize an impairment loss of SEK 140,000 thousand, which was recorded in the financial statements of the Rottneros Group and, consequently, included in the consolidated financial statements of the Arctic Paper Group.

As at 30 June 2026, the Group performed an impairment test of the cash-generating unit represented by the Rottneros Group, which is allocated to the Pulp segment.

The recoverable amount of the CGU was determined based on its value in use, calculated using the discounted cash flow method. The value in use of the net assets allocated to the CGU was estimated using a weighted average cost of capital (WACC) of 10.9% and cash flow projections covering the period from 2026 to 2030. The projected cash flows also included a terminal period beyond five years, reflecting the Group's assumption that the CGU will continue its operations on an indefinite basis in line with its long-term business strategy.

As at 30 June 2026, the aggregate carrying amount of the net assets subject to impairment testing amounted to PLN 746,151 thousand, including goodwill of PLN 8,138 thousand and a trademark of PLN 28,189 thousand. As at 31 December 2025, the aggregate carrying amount of the net assets subject to impairment testing amounted to PLN 787,631 thousand, including goodwill of PLN 8,207 thousand and a trademark of PLN 28,430 thousand.

The recoverable amount of the CGU as at 30 June 2026, determined as its value in use, amounted to PLN 780,896 thousand (31 December 2025: PLN 799,577 thousand).

As the recoverable amount of the net assets allocated to the CGU exceeded their carrying amount, the impairment tests performed as at 30 June 2026 and 31 December 2025 did not indicate any impairment of the property, plant and equipment or intangible assets, including the trademark and goodwill, of the Rottneros Group recognized in these consolidated financial statements.

	30 June 2026	31 December 2025
Approved projections based on	2026-2030	2026-2030
Weighted average cost of capital (WACC)	10,9%	10,9%
Growth rate in the residual period	2,0%	0,0%
USD/SEK FX rate	9,45	9,45

Parameter	Change of the parameter by	2026 Impact on the value of assets in use	2025 Impact on the value of assets in use
Weighted average cost of capital (WACC)	+1.0 p.p.	(80 891)	(67 957)
Growth rate in the residual period	+1.0 p.p.	none	none
USD/SEK FX rate	+1.0 p.p.	none	none
Weighted average cost of capital (WACC)	-1.0 p.p.	none	none
Growth rate in the residual period	-1.0 p.p.	(16 947)	(28 341)
USD/SEK FX rate	-1.0 p.p.	(55 524)	(78 887)

14. Other financial assets

The decrease in other financial assets was mainly due to the negative valuation of derivatives, mainly forward power purchase contracts.

	As at 30 June 2026 (unaudited)	As at 31 December 2025
Hedging instruments	9 513	301
Investments in equity instruments	14 311	14 729
Receivable from realised forward contracts	3 820	743
Other financial assets	367	73
Total	28 010	15 846
– current	11 698	903
– non-current	16 312	14 943

15. Inventories

	As at 30 June 2026, unaudited	As at 31 December 2025
Materials (at purchase prices)	183 153	161 963
Production in progress (at manufacturing costs)	6 700	7 102
Finished products	242 723	274 464
Advance payments for deliveries	30	-
Total inventories, at the lower of: purchase price / manufacturing costs or net realisable price	432 606	443 529
Inventory impairment allowance	23 708	41 278
Total inventories before impairment allowance	456 314	484 807

Stock values as at 30 June 2026 compared to the end of the previous year were comparable.

16. Trade and other receivables

	As at 30 June 2026, unaudited	As at 31 December 2025
Trade receivables	349 975	305 025
VAT receivables	24 962	33 735
Other third party receivables	18 311	29 072
Total (net) receivables	393 249	367 833
Impairment allowance for receivables	4 902	17 493
Gross receivables	398 151	385 326

The increase in trade receivables compared with the end of the previous year was primarily due to a lengthening of the receivables turnover cycle.

All the trade receivables specified above are receivables under contracts with customers and they do not contain any material financing element.

Trade receivables do not earn interest and have customary payment terms of 30 to 90 days.

The Group has an appropriate policy of selling solely to verified customers. Consequently, in the opinion of management, there is no additional credit risk beyond the level covered by the impairment allowance for doubtful receivables applicable to the Group's trade receivables.

The impairment allowance relates entirely to receivables arising from contracts with customers. The decrease in the impairment allowance for receivables was mainly attributable to its utilisation and reversal in H1 2026.

Below is an analysis of trade receivables that as at 30 June 2026 and 31 December 2025 were overdue but not treated as uncollectible:

	Total	Not overdue			Overdue but collectible		
06			< 30 days	30-60 days	60-90 days	90-120 days	>120 days
As at 30 June 2026	349 975	315 277	30 554	2 823	521	801	-
As at 31 December 2025	305 028	238 089	41 341	6 195	5 833	3 282	10 289

Receivables over 120 days in the prospective assessment of the Company's management qualify as collectible and therefore no impairment was recognised.

The maturities of other receivables from third parties do not exceed 360 days.

The Group presents sales discounts per balance with receivables. The reason for this presentation is that they are mostly offset against trade receivables from individual customers. The amounts of rebates granted by individual companies amounted to just under PLN 36 million in 2026.

17. Other non-financial assets

	As at 30 June 2026, unaudited	As at 31 December 2025
Insurance costs	3 122	816
Lease fees	277	399
Advance payments for services	37 751	40 776
of which for unclaimed gas	28 476	28 476
Rent	384	431
Other	5 874	6 361
Total	47 407	48 784
– current	47 136	47 115
– non-current	271	1 668

18. Interest-bearing loans

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.

During the period covered by this report, the Group made a partial repayment of its debt to Bank Pekao S.A. in the amount of PLN 15,526 thousand and to Nordea Bank Abp in the amount of PLN 388 thousand. The Group increased its debt following the disbursement of a further tranche of an investment loan from Bank Pekao S.A. in the amount of PLN 25,879 thousand and the Rottneros Group taking out an overdraft facility in the amount of PLN 73,318 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 30 June 2026, compared to 31 December 2025 result mainly from balance sheet evaluation and payment of interest accrued as at 31 December 2025 and paid in H1 2026.

19. Trade and other payables

The value of trade and other payables as at 30 June 2026 amounted to PLN 398,275 thousand (as at 31 December 2025: PLN 434,238 thousand) The decrease in the value of this item compared with the figure at the end of the previous year was due to lower production and reduced purchases of raw materials in H1 2026.

	As at 30 June 2026 (unaudited)	As at 31 December 2025
Trade payables, of which:		
Due to related parties	154	484
Due to other entities	386 707	433 742
	386 861	**434 226**
Taxes, duties and other liabilities		
VAT	10 009	8 038
Excise tax	679	432
Withholding tax	2 160	1 948
Real estate tax	901	538
	13 750	**10 957**
Other liabilities		
Investment commitments	4 905	5 007
Liabilities related to environmental protection	359	372
Prepayments	400	3 966
	5 664	**9 345**
Total	**406 275**	**454 527**

20. Employee liabilities

	As at 30 June 2026, unaudited	As at 31 December 2025
Provision for pensions and similar benefits	21 628	21 061
Payable to employees as salaries	11 110	15 522
Personal Income Tax	5 337	5 414
Tax on costs relating to employees' pension schemes	10 041	3 142
Social benefit liabilities	22 240	23 976
Unused leave	44 987	39 253
Bonuses	8 725	5 509
Other employee liabilities	990	4 595
Total	125 058	118 471
– current	105 073	98 551
– non-current	20 011	19 920

21. Deferred tax liability

	Consolidated balance sheet As at 30 June 2026 (unaudited)	Consolidated balance sheet As at 31 December 2025	Consolidated statement of profit or loss The year ended 30 June 2026 (unaudited)	Consolidated statement of profit or loss The year ended 30 June 2025 (unaudited)
Deferred tax provision				
Property, plant and equipment	92 021	91 707	314	(19 126)
Trade receivables	2 333	2 333	-	-
Hedging instruments	2 001	215	1 786	(29)
Other	-	912	(912)	-
Deferred tax provision	**96 355**	**95 167**	**1 189**	**(19 154)**

	Consolidated balance sheet As at 30 June 2026 (unaudited)	Consolidated balance sheet As at 31 December 2025	Consolidated statement of profit or loss The year ended 30 June 2026 (unaudited)	Consolidated statement of profit or loss The year ended 30 June 2025 (unaudited)
Deferred tax asset				
Property plant and equipment and intangible assets	27	27	-	1
Post-employment benefits	2 904	2 904	-	-
Uninvoiced liabilities	4 572	5 342	(770)	(278)
Inventories	1 067	1 496	(429)	89
Trade receivables	2 193	3 189	(997)	(418)
Hedging instruments	1 847	6 708	(4 862)	84
Losses deductible from future taxable income	6 789	-	6 789	-
Other	8 126	9 759	(1 633)	(468)
Gross deferred tax asset	**27 525**	**29 426**	**(1 902)**	**(989)**
Foreign exchange differences			(69)	(1 086)

Total, of which			(3 022)	19 251
Changes to deferred tax recognised in other comprehensive income			(4 463)	50
Net deferred tax asset/provision of which:				
– Adjustment to presentation	20 654	22 514		
– Deferred tax asset	6 871	6 913		
– Deferred tax provision	75 700	72 651		

22. Share capital

There were no changes in share capital as at 30 June 2026 compared to 31 December 2025.

23. Financial instruments

The Group uses the following financial instruments: cash on hand and in bank accounts, loans, receivables, liabilities (including those arising from lease agreements) and forward contracts for the purchase of electricity.

As at 30 June 2026, the Group held the following financial instruments: cash on hand and in bank accounts, loans, receivables, liabilities (including those arising from lease agreements), a currency swap and a forward contract for the purchase of electricity.

23.1 Fair value of each class of financial instruments

The table below sets out selected financial instruments of the Group by their carrying amounts, broken down by category
assets and liabilities.

	Category in compliance with IFRS 9	6-month period ended on 30 June 2026 (unaudited)	As at 31 December 2025	6-month period ended on 30 June 2026 (unaudited)	As at 31 December 2025
Financial assets					
Trade and other receivables	*WwZK*	368 287	334 098	***	***
Hedging instruments*	*IRZ*	9 513	301	***	***
Investments in equity instruments		14 311	14 729	***	***
Cash and cash equivalents	*WwZK*	123 517	151 642	***	***
Financial liabilities					
Loans	*WwZK*	333 603	251 080	333 603	212 549
Leasing liabilities, of which:	*WwZK*	20 521	23 348		
– non-current		16 187	18 058	***	***
– current		4 333	5 290	***	***
Trade payables, for the purchase of property, plant and equipment and intangible assets	*WwZK*	391 766	439 233	***	***
Hedging instruments*	*IRZ*	12 452	23 705	***	***
Other		2 419	163	***	***

* derivative hedging instruments meeting the requirements of hedge accounting
** primarily investments in equity instruments

Abbreviations used:

WwZK – Financial assets/liabilities measured at amortised cost

IRZ – Hedge Accounting Instruments at fair value through other comprehensive income (where the instrument is determined to be effective)

WwWGpWF – financial assets/liabilities measured at fair value through profit or loss

The fair value of hedging instruments was determined on the basis of observable data from active markets that are not market quotations.

The fair value of loans is estimated using an internal model based on discounting financial flows.

As at 30 June 2025 and 31 December 2024, financial instruments according to the valuation hierarchy qualify as Level 3 except for derivatives (Level 2).

24. Other financial liabilities

	As at 30 June 2026 (unaudited)	As at 31 December 2025
Lease liabilities	20 521	23 355
Hedging instruments	12 582	23 766
Other	-	163
Total	**33 103**	**47 284**
– current	6 918	10 779
– non-current	26 185	36 505

The increase in the value of hedging instrument liabilities is due to the negative valuation of some energy forward contracts.

25. Contingent liabilities and contingent assets

As at 30 June 2026, the Capital Group reported:

— a bank guarantee in favour of Skatteverket Ludvika for SEK 135 thousand (PLN 52 thousand);

26. Legal claims

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

27. Tax settlements

Regulations related to VAT, corporate income tax and charges related to social insurance are subject to frequent modifications. Those frequent modifications result in unavailability of appropriate points of reference, inconsistent interpretations and few precedents that could apply. Additionally, the applicable regulations contain also certain ambiguities that result in differences of opinion as to legal interpretations of tax regulations – among public authorities and between public authorities and enterprises.

Tax settlements and other areas of operations (for instance customs or foreign exchange issues) may be inspected by the authorities that are entitled to impose high penalties and fines as well additional tax liabilities resulting from inspections that have to be paid along with high interest.

As a result, tax risk in Poland is higher than in countries with more mature tax systems.

Tax settlements may be subject to inspections for five years from the end of the year in which the tax was paid. As a result of inspections, the tax liability of the Group may be increased by additional tax liability. In the opinion of the Group, there is no need to establish additional provisions for any identified and quantifiable tax risk as at 30 June 2026.

On 15 July 2016, the Tax Code was amended to incorporate the provisions of the General Anti-Avoidance Rule (GAAR). GAAR is to prevent the development and use of artificial legal structures to avoid tax payments in Poland. GAAR defines tax avoidance as an activity pursued primarily to accomplish tax benefits that under the circumstances would be contradictory to the subject and purpose of the tax regulations. In accordance with GAAR, such activity would not generate tax benefits if the mode of operation was artificial. Any occurrence of (i) unjustified split to operations, (ii) involvement of intermediaries despite no economic justification, (iii) mutually exclusive of compensating elements, and (iv) other similar activities, may be treated as a premise to the existence of artificial activities subject to GAAR. The new regulations require more accurate judgements in the assessment of tax effects of each transaction.

28. Future contractual investment commitments

Future contractual commitments to purchase property plant and equipment concluded until 30 June 2026 and not required to be recognised in the consolidated statement of financial position at that date amounted to PLN 34 million.

29. Transactions with related parties

The related parties to the Arctic Paper S.A. Group are as follows:

- Thomas Onstad – the corer shareholder of Arctic Paper S.A. holding directly or indirectly over 50% of shares in the Company's share capital,
- Nemus Holding AB – parent company to the Arctic Paper S.A. Group since 3 September 2014,
- Munkedal Skog – a subsidiary of Nemus Holding AB,
- Key management personnel.

Transactions with related parties are carried out at arm's length.

The following table shows the total amounts of transactions entered into with related parties during the six months ended 30 June 2026 and as at 30 June 2026:

Data for the period from 01 January 2026 to 30 June 2026 and as at 30 June 2026

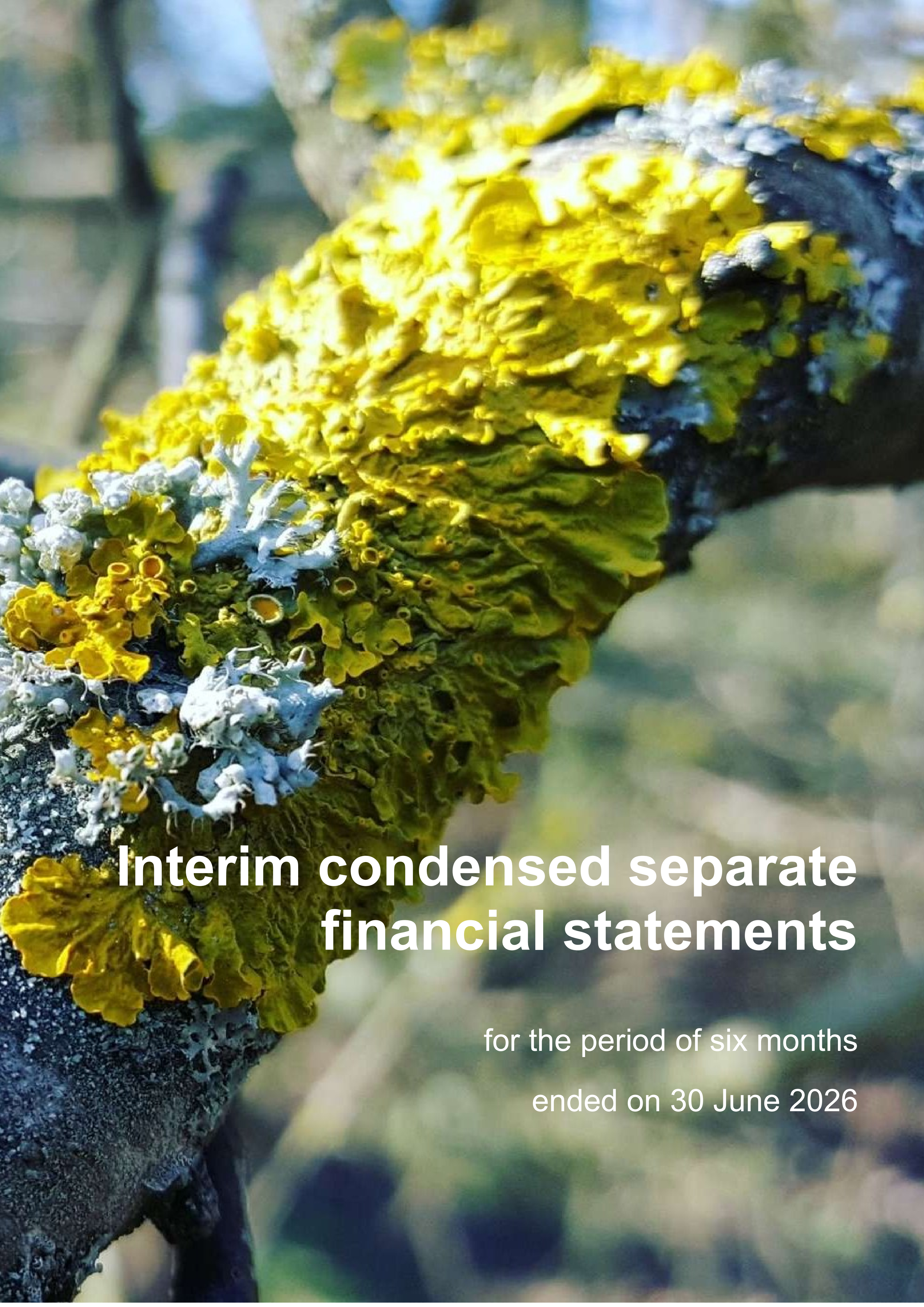
Related party	Sales of services to related parties	Purchases of services from related parties/remuneration	Interest – financial income	Interest – finance costs	Receivables from related parties	Loan receivables	Liabilities to related parties
Nemus Holding AB	216	40	-	-	-	-	8
Thomas Onstad	-	-	-	-	-	-	-
Munkedals Skog AB	-	136	-	-	-	-	72
Key management personnel	-	1 354	-	-	-	-	74
Total	216	1 530	-	-	-	-	154

30. Material events after 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	11 August 2026	signed with a qualified electronic signature
Member of the Management Board Chief Financial Officer	Katarzyna Wojtkowiak	11 August 2026	signed with a qualified electronic signature
Member of the Management Board Vice-President for Sales and Marketing	Fabian Langenskiöld	11 August 2026	signed with a qualified electronic signature



Interim condensed separate financial statements

for the period of six months

ended on 30 June 2026

Interim condensed separate financial statements

Interim condensed separate statement of profit statement of profit and loss

	Note	3-month period ended on 30 June 2026 (unaudited)	6-month period ended on 30 June 2026 (unaudited)	3-month period ended on 30 June 2025 (unaudited)	6-month period ended on 30 June 2025 (unaudited)
Continuing operations					
Revenue from sales of services		3 365	8 237	3 658	7 484
Interest income on loans	5.1	610	1 306	811	1 651
Dividend income	10.	23 082	23 082	41 321	43 778
Sales revenue		27 057	32 625	45 790	52 913
Interest expense to related parties and costs of sales of logistics services		(2 221)	(4 970)	(3 171)	(6 096)
Profit/(loss) on sales		24 836	27 655	42 619	46 817
Other operating income		45	65	4	36
Administrative expenses	5.2.	(4 531)	(9 690)	(5 435)	(10 589)
Impairment losses on assets	5.3.	-	-	(424)	(424)
Other operating expenses		(19)	(75)	(23)	(86)
Profit/(loss) on operations		20 331	17 955	36 741	35 754
Finance income		102	222	-	3 189
Finance costs		(1 983)	(5 149)	(2 447)	(3 232)
Gross profit/(loss)		18 450	13 028	34 294	35 711
Income tax		-	-	(622)	-
Net profit (loss) for the reporting period		18 450	13 028	33 672	35 711
Earnings per share:					
– basic earnings from the profit/(loss) for the period		0,27	0,19	0,49	0,52
– basic earnings from the profit/(loss) from continuing operations for the period		0,27	0,19	0,49	0,52

Interim condensed separate statement of comprehensive income

	3-month period ended on 30 June 2026 (unaudited)	6-month period ended on 30 June 2026 (unaudited)	3-month period ended on 30 June 2025 (unaudited)	6-month period ended on 30 June 2025 (unaudited)
Net profit/(loss) for the reporting period	18 450	13 028	33 672	35 711
Items to be reclassified to profit/(loss) in future reporting periods:				
Measurement of financial instruments	-	-	(416)	(795)
Deferred tax on the measurement of financial instruments	-	-	79	151
Foreign exchange differences on translation of foreign operations	98	73	145	(182)
Other net comprehensive income	98	73	(193)	(826)
Total comprehensive income	18 548	13 101	33 479	34 885

Interim condensed separate statement of financial condition

	Note	As at 30 June 2026 (unaudited)	As at 31 December 2025
ASSETS			
Non-current assets			
Property plant and equipment	12.	928	945
Intangible assets	12.	1 429	1 470
Shares in subsidiaries and joint ventures	6.	1 142 877	1 142 283
Other financial assets	13.	77 644	44 114
Deferred tax		1 463	1 463
		1 224 341	1 190 275
Current assets			
Inventories		-	-
Trade and other receivables	11.	20 871	20 755
Income tax receivables		481	3 463
Other financial assets	13.	19 120	14 787
Other non-financial assets		4 045	12 082
Cash and cash equivalents	8.	16 333	19 660
		60 850	70 747
TOTAL ASSETS		**1 285 191**	**1 261 022**
EQUITY AND LIABILITIES			
Equity			
Share capital	16.1	69 288	69 288
Supplementary capital	16.3	625 736	625 736
Other capital	16.4	282 082	332 802
Foreign exchange differences on translation	16.4	2 236	2 164
Retained earnings/Accumulated losses		13 028	(50 720)
Total equity		992 370	979 269
Non-current liabilities			
Interest-bearing loans, borrowings and bonds	14.	49 679	31 722
Deferred tax liability		2 333	2 333
		52 012	34 055
Current liabilities			
Interest-bearing loans, borrowings and bonds	14.	218 512	219 487
Trade payables		18 501	16 715
Other current liabilities		1 197	8 172
Employee liabilities		2 489	3 212
Income tax liability		110	111
		240 809	247 698
TOTAL LIABILITIES		292 821	281 753
TOTAL EQUITY AND LIABILITIES		**1 285 191**	**1 261 022**

Interim condensed separate statement of cash flows

	Note	6-month period ended on 30 June 2026 (unaudited)	6-month period ended on 30 June 2025 (unaudited)
Cash flows from operating activities			
Gross profit/(loss)		13 028	35 711
Adjustments for:			
Depreciation/amortisation		209	219
Foreign exchange gains/(loss)		1 756	(2 710)
Net interest and dividends		1 735	798
Profit/(loss) from investing activities		(7)	-
Increase / decrease in receivables and other non-financial assets		7 921	(4 563)
Change in liabilities excluding loans and borrowings and other financial liabilities		(5 912)	1 885
Income tax		2 981	5 017
Change to liabilities due to cash-pooling		(59 490)	(133 455)
Increase / decrease of loans granted to subsidiaries		(37 863)	(299)
Interest received on loans granted and cash-pooling		1 404	1 697
Interest paid under cash-pooling		(1 191)	(1 731)
Other		239	115
Net cash flows from operating activities		**(75 191)**	**(97 316)**
Cash flows from investing activities			
Disposal of property, plant and equipment and intangible assets		7	-
Purchase of property, plant and equipment and intangible assets		(151)	-
Increase of interests in subsidiaries		(551)	(2 400)
Acquisition of shares in subsidiaries		(43)	-
Net cash flows from investing activities		**(738)**	**(2 400)**
Cash flows from financing activities			
Repayment of leasing liabilities		-	(17)
Repayment of loan liabilities		(4 744)	(14 321)
Change in working capital loans		54 441	23 015
Loans received		25 879	5 827
Interest paid		(2 045)	(1 268)
Net cash flows from financing activities		**73 531**	**13 236**
Cash and cash equivalents at the beginning of the period		19 660	176 985
Change in cash and cash equivalents		(2 398)	(86 480)
Net foreign exchange differences		(929)	2 195
Cash and cash equivalents at the end of the period	8.	**16 333**	**92 699**

Interim condensed separate 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 capital	Retained earnings (Accumulated losses)	Total equity
As at 01 January 2026	69 288	625 736	2 164	332 802	(50 720)	979 269
Net profit/(loss) for the period	-	-	-	-	13 028	13 028
Other net comprehensive income for the period	-	-	73	-	-	73
Total comprehensive income for the period	-	-	73	-	13 028	13 101
Dividend distribution	-	-	-	-	-	-
Coverage of losses from previous years	-		-	(50 720)	50720*	-
As at 30 June 2026 (unaudited)	69 288	625 736	2 236	282 082	13 028	992 370

*The balance of retained earnings as at 1 January 2026 included outstanding losses from previous years. In accordance with Resolution No. 9/2026 and Resolution No. 10/2026 of the Annual General Meeting of Arctic Paper S.A. held on 18 June 2026, these losses were covered from the net profit for 2025 and from the reserve capital respectively; consequently, as at 30 June 2026, the balance of retained earnings comprises solely the financial result for the current period.

	Attributable to the shareholders of the Parent Company					
	Share capital	Supplementary capital	Foreign exchange differences on translation of foreign operations	Other capital	Retained earnings (Accumulated losses)	Total equity
As at 01 January 2025	69 288	625 736	2 571	136 588	130 520	964 703
Net profit/(loss) for the period	-	-	-	-	35 711	35 711
Other net comprehensive income for the period	-	-	(182)	(644)	-	(826)
Total comprehensive income for the period	-	-	(182)	(644)	35 711	34 885
Financial profit distribution	-	-	-	197 292	(197 292)	-
Dividend distribution	-	-	-	-		-
As at 30 June 2025 (unaudited)	69 288	625 736	2 389	333 236	(31 061)	999 588

Additional explanatory notes

1. General information

1.2 Name, registered office, object of activity

Arctic Paper S.A. ("Company", "Entity") is a joint stock company established with Notary deed on 30 April 2008 with its stock publicly listed.

The Company's registered office is located in Kostrzyn, at ul. Fabryczna 1. The Company has also a foreign branch in Göteborg, Sweden.

The Company is entered in 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 Company holds statistical number REGON 080262255.

The duration of the Company is indefinite.

Nemus Holding AB is the direct Parent Company to the Company. The ultimate parent company of the Group that prepares the consolidated financial statements is Nemus Holding AB, which is owned by Thomas Onstad.

Holding operations is the core business of the Company.

The interim condensed separate financial statements of the Company with respect to the interim condensed separate statement of profit or loss, statement of comprehensive income, statement of cash flows and statement of changes to equity, cover the period of 6 months ended on 30 June 2026 and contain comparable data for the period of 6 months ended on 30 June 2025; and in the interim condensed separate statement of financial condition, it presents data as at 30 June 2026 and as at 31 December 2025.

The interim condensed separate statement of comprehensive income, the interim condensed separate statement of profit or loss include data for the three months ended 30 June 2026 and comparative data for the three months ended 30 June 2025.

1.3 Identification of the separate financial statements

The Company made its interim condensed consolidated financial statements for the period of 6 months ended on 30 June 2025 which were approved for publication by the Management Board on 11 August 2026.

1.4 Composition of the Company's Management Board

As at 30 June 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.

1.5 Composition of the Company's Supervisory Board

As at 30 June 2026, the 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 Company.

1.6 Approval of the financial statements

On 11 August 2026, these interim condensed separate financial statements of the Company for the 6-month period ended on 30 June 2026 were approved for publication by the Management Board.

1.7 Investments by the Company

The Company holds interests in the following subsidiaries:

Unit	Registered office	Group Profile	Company's interest in the equity of the subsidiaries		
			11 August 2026	30 June 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 Investment AB	Sweden, Box 383, 401 26 Göteborg	Holding activities	100%	100%	100%
Arctic Paper UK Limited	United Kingdom, 222 Bishopsgate, EC2M 4QD London	Trading company	100%	100%	100%
Arctic Paper Baltic States SIA	Latvia, K. Vardemara iela 33-20, Riga LV-1010	Trading company	100%	100%	100%
Arctic Paper Deutschland GmbH	Germany, Am Sandtorkai 72, 20457 Hamburg	Trading company	100%	100%	100%
Arctic Paper Benelux S.A.	Belgium, Interleuvenlaan 62 bus 14, B-3001 Heverlee	Trading company	100%	100%	100%
Arctic Paper Schweiz AG	Switzerland, Gutenbergstrasse 1, CH-4552 Derendingen	Trading company	100%	100%	100%
Arctic Paper Italia srl	Italy, Via Chiaravalle 7, 20122 Milan	Trading company	100%	100%	100%
Arctic Paper Danmark A/S	Denmark, Korskildelund 6 DK-2670 Greve	Trading company	100%	100%	100%
Arctic Paper France SAS	France, 30 rue du Chateau des Rentiers, 75013 Paris	Trading company	100%	100%	100%
Arctic Paper Espana SL	Spain, Avenida Diagonal 472-474, 9-1 Barcelona	Trading company	100%	100%	100%
Arctic Paper Papierhandels GmbH	Austria, Hainborgerstrasse 34A, A-1030 Wien	Trading company	100%	100%	100%
Arctic Paper Polska Sp. z o.o.	Poland, Okrężna 9, 02-916 Warszawa	Trading company	100%	100%	100%
Arctic Paper Norge AS	Norway, Eikenga 11-15, NO-0579 Oslo	Trading company	100%	100%	100%
Arctic Paper Sverige AB	Sweden, SE 455 81 Munkedal	Trading company	100%	100%	100%
Arctic Power Sp. z o.o. (formerly Arctic Paper East Sp. z o.o.)	Poland, Fabryczna 1, 66-470 Kostrzyn nad Odrą	Energy projects	100%	100%	100%
Arctic Paper Investment GmbH	Germany, Am Sandtorkai 72, D-20457 Hamburg	Holding activities	100%	100%	100%
Kostrzyn Packaging Spółka z o.o.	Poland, Fabryczna 1, 66-470 Kostrzyn nad Odrą	Production of packaging	50%	50%	50%
Rottneros AB	Sweden, Box 144 826 23 Söderhamn	Activities of holding companies	55%	55%	55%
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%*

* Arctic Paper Fiber Solutions, INC. As at the balance sheet date of 31 December 2025, no capital contributions had been made. Arctic Paper S.A holds 100% of the shares

As at 30 June 2026 and as at 31 December 2025, the share in the overall number of votes held by the Company in its subsidiaries was equal to the share of the Company in the share capital of those entities.

2. Accounting Policies

2.1 Basis of preparation of the interim condensed financial statements

These interim condensed separate financial statements have been prepared in compliance with International Accounting Standard No. 34.

These interim condensed separate 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 interim condensed separate financial statements have been prepared based on the assumption that the Company will continue as a going concern in the foreseeable future.

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

2.2 Functional currency and presentation currency

The Polish zloty (PLN) is the functional currency and the presentation currency of the Company in these financial statements.

2.3 Changes in applied accounting policies

The accounting policies used in the preparation of the financial statements are consistent with those used 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 2026.

2.4 New and amended standards and interpretations applied

The following new standards and amendments to existing standards, which came into force in 2026, have been applied for the first time in these interim financial statements:

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

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

- 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).

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.

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

In December 2024, the Council 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 (PPA). 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.

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

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

a) IFRS 18 “Presentation and Disclosures in Financial Statements”

In April 2024, the Council 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.

b) 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

c) Amendments to 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

d) Amendments to IAS 28 “Investments in Associates and Joint Ventures”

In June 2026, the International Accounting Standards Board published targeted amendments to IAS 28 “Investments in Associates and Joint Ventures”. These amendments clarify which investments in associates and joint ventures may be measured at fair value in accordance with the option provided for in IAS 28.

The amendments were introduced in response to differences in interpretation regarding the relationship between the option to measure at fair value provided for in IAS 28 and the new requirements of IFRS 18 “Presentation and Disclosures in Financial Statements”, in particular with regard to the classification of revenue and expenses in the Statement of profit or loss.

The amendments will take effect from the date on which an entity first applies IFRS 18, which will generally be for annual reporting periods beginning on or after 1 January 2027. Earlier application is also permitted if an entity decides to adopt IFRS 18 early.

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

e) Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates – Translation into the Presentation Currency in Hyperinflationary Economies"

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

f) IFRS 20 “Regulatory Assets and Regulatory Liabilities”

In May 2026, the International Accounting Standards Board published a new standard, IFRS 20 Regulatory Assets and Regulatory Liabilities. The standard has been developed for companies operating in regulated sectors and is intended to help investors better understand how tariff regulations affect the financial performance, financial position and future cash flow prospects of regulated companies.

IFRS 20 introduces uniform rules for recognising the effects of timing differences relating to regulated rates, which arise when the timing of the provision of regulated services differs from the timing of the collection of fees from customers. In such cases, the revenue reported to date may not have fully reflected the company’s actual operating activities. The new standard requires these differences to be recognised in the financial statements.

The standard will be particularly important for organisations providing essential services in sectors such as energy, gas, water, motorway and rail infrastructure, airport services, postal services and other regulated sectors.

The standard supplements the requirements of IFRS 15 Revenue from Contracts with Customers and replaces the previous IFRS 14 Deferred Balances from Regulated Activities, which has not been endorsed by the European Union.

In accordance with the provisions of IFRS 20, it is due to come into force for reporting periods beginning on or after 1 January 2029, although earlier application is permitted.

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

g) IFRS 14 “Regulatory accruals”

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.

h) 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, on the other hand, the assets do not meet the definition of a business, the investor only recognises a gain or loss to the extent of the portion representing the interests of other investors.

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

3. Seasonality

The Company’s activities, particularly with regard to dividends from associated companies, are seasonal in nature, with the majority of dividends being paid in Q1 and Q2 of the calendar year. For this reason, the Company’s reported results show significant fluctuations during these periods of the year.

4. Information on business segments

Arctic Paper S.A. is a holding company, providing services mostly to the Group companies. The Company operates in one segment, the results are assessed by the Management Board on the basis of financial statements.

The table below presents revenue from services sales, interest income on loans and dividend income for the 6-month period ended on 30 June 2026 and as at 30 June 2025 in geographical presentation.

The geographical split of revenue relies on the location of registered offices of the subsidiaries of Arctic Paper S.A.

	Continuing operations	
	6-month period ended on 30 June 2026 (unaudited)	6-month period ended on 30 June 2025 (unaudited)
Geographical information		
Poland	25 014	43 808
Foreign countries, of which:		
– Sweden	6 340	6 219
– Germany	-	1 460
– Other	1 272	1 426
Total	**32 625**	**52 913**

5. Income and costs

5.1 Interest income and expense

Interest income covers interest income on loans granted to other companies in the Group. Interest expense covers interest income on loans received from other companies in the Group and from banks. Interest expense covers interest income on loans received from Group companies and is disclosed as costs of sales.

5.2 Administrative expenses

The administrative expenses include costs of the administration of the Company operation, costs of services provided for the companies in the Group and all costs incurred by the Company for the purposes of pursuing holding company activities. In H1 2026, these costs amounted to PLN 9,690 thousand (in H1 2025: PLN 10,589 thousand). The decrease of the administrative expenses is due to lower costs of services provided to the Company by external entities.

5.3 Change in impairment losses on assets

In H1 2026, the Company did not recognise any impairment losses on its assets.

6. Investments in subsidiaries and joint ventures

The value of investments in subsidiaries and joint ventures at 30 June 2026 and 31 December 2025 was as follows:

	As at 30 June 2026 (unaudited)	As at 31 December 2025
Arctic Paper Kostrzyn S.A.	442 535	442 535
Arctic Paper Munkedals AB	88 175	88 175
Rottneros AB	170 747	170 747
Arctic Paper Investment AB, of which:	390 567	390 567
Arctic Paper Investment AB (shares)	*307 858*	*307 858*
Arctic Paper Investment AB (loans)	*82 709*	*82 709*
Arctic Paper Investment AB (impairment loss)	-	-
Arctic Paper Investment GmbH	-	-
Arctic Paper Investment GmbH (shares)	*120 031*	*120 031*
Arctic Paper Investment GmbH (impairment loss)	*(120 031)*	*(120 031)*
Arctic Paper Sverige AB	2 936	2 936
Arctic Paper Sverige AB (shares)	*11 721*	*11 721*
Arctic Paper Sverige AB (impairment loss)	*(8 785)*	*(8 785)*
Arctic Paper Danmark A/S	2 947	2 947
Arctic Paper Danmark A/S (shares)	5 539	5 539
Arctic Paper Danmark A/S ((impairment loss)	*(2 592)*	*(2 592)*

Arctic Paper Deutschland GmbH	4 977	4 977
Arctic Paper Norge AS	516	516
Arctic Paper Norge AS (shares)	*3 194*	*3 194*
Arctic Paper Norge AS (impairment loss)	*(2 678)*	*(2 678)*
Arctic Paper Italy srl	738	738
Arctic Paper UK Ltd.	522	522
Arctic Paper Polska Sp. z o.o.	406	406
Arctic Paper Benelux S.A.	429	387
Arctic Paper France SAS	326	326
Arctic Paper Espana SL	196	196
Arctic Paper Papierhandels GmbH	194	194
Arctic Paper Power Sp. z o.o. (formerly Arctic Paper East Sp. z o.o.)	10 000	10 000
Arctic Paper Baltic States SIA	64	64
Arctic Paper Schweiz AG	61	61
Kostrzyn Packaging Spółka z o.o.	25 990	25 990
Arctic Paper Fiber Solutions Inc.	551	-
Total	**1 142 877**	**1 142 283**

In May 2026, Arctic Paper S.A. made a capital injection of PLN 551 thousand into its subsidiary Arctic Paper Fiber Solutions, and in June it purchased shares in Arctic Paper Benelux S.A. for PLN 43 thousand.

The value of investments in subsidiaries was disclosed on the basis of historic costs.

7. Impairment of assets in subsidiaries and joint ventures

As at 30 June 2026 and 30 June 2025, the Group did not identify any indicators of impairment of its investments in Arctic Paper Kostrzyn, Arctic Paper Munkedals and Arctic Paper Grycksbo. Consequently, the Group did not perform impairment tests for these entities.

As at 30 June 2026, an impairment test was performed for the cash-generating unit represented by the Rottneros Group. This cash-generating unit is allocated to the Pulp segment. The recoverable amount of the cash-generating unit was determined based on its value in use using the discounted cash flow method. In calculating the value in use of the net assets allocated to the cash-generating unit, a discount rate (WACC) of 10.9% was applied and the forecast period covered the years 2026 to 2030. The projected cash flows included a terminal period extending beyond five years due to the Group's strategy assuming the continued operation of the cash-generating unit for an indefinite period.

As at 30 June 2026, the total carrying amount of the investments in the Rottneros Group amounted to PLN 170,747 thousand. The recoverable amount of the cash-generating unit as at 30 June 2026 was determined as its value in use and amounted to PLN 780,896 thousand (as at 30 June 2025: PLN 1,002,506 thousand).

The recoverable amount of the net assets allocated to the cash-generating unit exceeded the carrying amount of the investments in the Rottneros Group recognised in the financial statements as at 30 June 2026 and 31 December 2025. Therefore, the impairment test did not indicate any impairment of these investments.

8. Cash and cash equivalents

For the purposes of the interim condensed separate statement of cash flow, cash and cash equivalents include the following items:

	As at 30 June 2026 (unaudited)	As at 30 June 2025 (unaudited)
Cash in bank and on hand	16 333	92 699
Short-term deposits (available on request)	-	-
Total	**16 333**	**92 699**

9. Dividend paid and proposed

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

In accordance with the provisions of the Code of Commercial Partnerships and Companies, the Company is obliged to establish supplementary capital to cover potential losses. At least 8% of the profit for the financial year disclosed in the separate financial statements of the Company should be transferred to the category of capital until the capital has reached the amount of at least one third of the share capital of the Parent Company. The use of supplementary capital and reserve funds is determined by the General Meeting; however, a part of supplementary capital equal to one third of the share capital can be used solely to cover the losses disclosed in the separate financial statements of the Company and cannot be distributed to other purposes.

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. Risks relating to the Company's ability to pay dividends are described in the Risk Factors section of the annual report for 2025.

In connection with the term and revolving loan agreements signed on 31 October 2025, the Company's ability to pay dividends is subject to the Group meeting certain financial ratios in the period prior to payment (as that term is defined in the term and revolving credit facility agreement) and there being no event of default (as that term is defined in the term and revolving loan agreement).

The Company did not pay a dividend in 2026.

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.

10. Dividend received

The dividend income disclosed in the comprehensive financial statement contains the dividend income received from:

- Arctic Paper Kostrzyn S.A. in the amount of PLN 21,809 thousand,
- Arctic Paper France SAS in the amount of PLN 849 thousand,
- Arctic Paper Baltic States SIA, in the amount of PLN 424 thousand.

11. Trade and other receivables

As at 30 June 2026, trade receivables and other receivables were PLN 116 thousand higher than at 31 December 2025.

12. Property plant and equipment and intangible assets

12.1 Purchases and disposal

During the 6-month period ending 30 June 2026, the Company acquired property, plant and equipment with a value of PLN 151 thousand. During the same period, depreciation charges amounted to PLN 209 thousand (in the corresponding period of 2025: PLN 219 thousand).

12.2 Impairment losses

In H1 2026, there were no grounds for recognising impairment losses on assets. Consequently, the Company has not recognised any write-downs in this respect.

13. Other financial assets

In H1 2026, the Company granted loans to Group entities totalling PLN 40,737 thousand. The funds were allocated primarily to finance the pellet factory construction project being carried out by Arctic Paper Grycksbo AB and the operations of Kostrzyn Packaging Sp. z o.o. During the period under review, further tranches of the loan to Arctic Paper Grycksbo AB were disbursed, totalling PLN 25,879 thousand. In addition, the Company granted loans totalling PLN 14,858 thousand to Kostrzyn Packaging Sp. z o.o., comprising PLN 3,000 thousand and EUR 2,800 thousand.

14. Interest-bearing loans, borrowings and bonds

In connection with the term loan and revolving credit facility agreement signed on 31 October 2025, the Company has undertaken to maintain the Group's financial ratio set out therein, calculated at the end of each quarter. As at 30 June 2026, the Company has maintained the ratio required by the loan agreement concluded with the consortium of financing banks (Pekao S.A., Santander Bank Polska S.A. and BNP Paribas Bank Polska S.A.).

In accordance with the loan agreement, in H1 2026 the Company repaid principal instalments and paid interest of PLN 5,589 thousand. Other changes in the value of loans and credits are attributable, amongst other things, to a decrease in group cash-pooling liabilities (PLN -59,490 thousand) and a change in working capital loans of PLN 54,441 thousand. Furthermore, in H1 2026, the Company received further tranches of an investment loan provided by a consortium of banks, totalling PLN 25,879 thousand, earmarked for the construction of a pellet factory.

15. Income tax receivables

As of 1 January 2022, Arctic Paper SA and Arctic Paper Kostrzyn SA have formed a Tax Group and jointly account for corporate income tax. In accordance with the decision of the Management Board, the Issuer is a direct tax settling entity with the tax office, hence an item of income tax receivables of PLN 481 thousand appeared in the balance sheet.

16. Share capital and supplementary capital/reserve funds

16.1 Share capital

As at 30 June 2026, there were no changes in the Company's share capital compared to 31 December 2025.

16.2 Major shareholders

	As at 30 June 2026		As at 31 December 2025	
	Share in the share capital	Share in the total number of votes	Share in the share capital	Share in the total number of votes
Thomas Onstad	**68,26%**	**68,26%**	**68,26%**	**68,26%**
indirectly via	64,19%	64,19%	60,58%	60,58%
Nemus Holding AB	63,32%	63,32%	59,71%	59,71%
other entity	0,87%	0,87%	0,87%	0,87%
directly	4,07%	4,07%	7,68%	7,68%
Other	**31,74%**	**31,74%**	**31,74%**	**31,74%**

16.3 Supplementary capital

The supplementary capital amounted to PLN 625,736 thousand as at 30 June 2026. The amount of the reserve fund remained unchanged compared with the end of 2025

16.4 Other capital

Other capital amounted to PLN 282,082 thousand as at 30 June 2026, compared with PLN 332,802 thousand as at 31 December 2025. The decrease in the value of other equity was primarily due to the allocation of PLN 50,720 thousand to cover losses from previous years

16.5 Foreign exchange differences on translation of investments in foreign entities

Swedish krona is the functional currency of the Company's foreign branch.

As at the balance sheet date, the assets and liabilities of the branch are translated into the Company's presentation currency at the exchange rate prevailing on its interim condensed statement of profit or loss, comprehensive income statement and statement of changes in equity are translated using the average weighted exchange rate for the relevant reporting period. The foreign exchange differences on translation are recognised in other total comprehensive income and cumulated in a separate equity item.

16.6 Retained profit and restrictions in dividend distribution

In accordance with the provisions of the Code of Commercial Partnerships and Companies, the Company is obliged to establish supplementary capital to cover potential losses. At least 8% of the profit for the financial year disclosed in the financial statements of the Company should be transferred to the category of the capital until the capital has reached the amount of at least one third of the share capital. The use of supplementary capital and reserve funds is determined by the General Meeting; however, a part of supplementary capital may be used solely to cover the losses disclosed in the financial statements and may not be distributed for other purposes.

As at 30 June 2026, there are restrictions on the payment of dividends, as set out in Note 9.

17. Financial instruments

The company holds the following financial instruments: cash in bank accounts, loans, borrowings, receivables, finance lease liabilities and other liabilities.

17.1 Fair value of each class of financial instruments

The table below presents the selected financial instruments held by the Company by carrying amount and split into individual assets and liabilities.

		Carrying amount	
	Category in compliance with IFRS 9	As at 30 June 2026	As at 31 December 2025
Financial assets			
Other (non-current) financial assets	WwZK	77 644	44 114
Trade and other receivables	WwZK	20 871	20 755
Cash and cash equivalents	WwZK	16 333	19 660
Other (current) financial assets	WwZK	19 120	14 788
Total		133 968	99 316
Financial liabilities			
Interest-bearing loans, borrowings and bonds	*WwZK*	268 191	251 209
Trade payables	*WwZK*	18 501	16 715
Finance lease liabilities/other liabilities	*WwZK*	1 197	-
Total		287 889	267 924

Abbreviations used:
WwZK – Financial assets/liabilities measured at amortised cost
WwWGpWF – financial assets/liabilities measured at fair value through profit or loss
IRZ – Hedge accounting instruments

The fair value of loans stood at PLN 268,191 thousand as at 30 June 2026 and at PLN 251,209 thousand as at 31 December 2025.
As at 30 June 2026 and 31 December 2025, the Company did not hold any active derivatives. All collateral arrangements have expired following the repayment of variable-rate loans at the end of 2025.

18. Contingent liabilities and contingent assets

As at 30 June 2026, the Company had no contingent liabilities.

19. Transactions with related parties

The table below presents the total amount of transactions concluded with related parties within the period of 6 months ended on 30 June 2026 and as at 30 June 2025 and as at 30 June 2026 and as at 31 December 2025:

Related party		*Sales to related parties*	*Interest – operational income*	*Dividend received*	*Interest – finance costs*	*Guarantees obtained – other finance costs*	*Receivables from related parties*	*of which overdue*	*Loan receivables*	*Liabilities to related parties*	*including overdue, after the payment date*	*Loan liabilities*
Parent company:												
Nemus Holding AB	2026	2	-		-	-	-	-	-	-	-	-
	2025	2	-	-	-	-	-	-	-	-	-	-
Subsidiaries	2026	**8 237**	**1 306**	**23 082**	**1 191**	**1 516**	**50 828**	**29 911**	**243 739**	**61**	**-**	**125 558**
	2025	**7 484**	**1 651**	**43 778**	**1 731**	**1 723**	**50 539**	**29 911**	**205 877**	**7 478**	**-**	**185 047**
Total	**2026**	**8 239**	**1 306**	**23 082**	**1 191**	**1 516**	**50 828**	**29 911**	**243 739**	**61**	**-**	**125 558**
impairment adjustments		**-**	**-**	**-**	-	**-**	**(29 911)**	**(29 911)**	**(64 266)**	-	-	-
presentation as interests in subsidiaries		-	-	-	-	-	-	-	**(82 709)**	-	-	-
2026 following impairment adjustments and changes to presentation		**8 239**	**1 306**	**23 082**	**1 191**	**1 516**	**20 917**	**-**	**96 764**	**61**	**-**	**125 558**
Total	**2025**	**7 486**	**1 651**	**43 778**	**1 731**	**1 723**	**50 539**	**29 911**	**205 877**	**7 478**	**-**	**185 047**
impairment adjustments		**-**	**-**	**-**	**-**	**-**	**(29 911)**	**-**	**(64 266)**	**-**	**-**	**-**
presentation as interests in subsidiaries		-	-	-	-	-	-	-	**(82 709)**	-	-	-
2025 following impairment adjustments and changes to presentation		**7 486**	**1 651**	**43 778**	**1 731**	**1 723**	**20 628**	**29 911**	**58 901**	**7 478**	**-**	**185 047**

20. 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.

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Signatures of the Members of the Management Board

Position	First and last name	Date	Signature
President of the Management Board CEO	Michał Jarczyński	11 August 2026	signed with a qualified electronic signature
Member of the Management Board Chief Financial Officer	Katarzyna Wojtkowiak	11 August 2026	signed with a qualified electronic signature
Member of the Management Board Vice-President for Sales and Marketing	Fabian Langenskiöld	11 August 2026	signed with a qualified electronic signature

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www.arcticpaper.com

Translation note:

This version of our report is a translation from the original, which was prepared in Polish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Independent statutory auditor's report on review of the interim condensed separate financial statements

To the Shareholders and the Supervisory Board of Arctic Paper S.A.

Introduction

We have reviewed the accompanying interim condensed separate statement of financial position of Arctic Paper S.A. (the "Company") as at 30 June 2026 and the related interim condensed separate statement of profit or loss and other comprehensive income, interim condensed separate statement of changes in equity and interim condensed separate statement of cash flows for the six-month period then ended, and the related additional explanatory notes (the "interim condensed separate financial statements").

Management of the Company is responsible for the preparation and presentation of these interim condensed separate financial statements in accordance with the International Accounting Standard 34 Interim Financial Reporting as adopted by the European Union and with the applicable provisions of Decree of the Minister of Finance dated 6 June 2025 on current and periodic information provided by issuers of securities and the conditions of recognizing as equal information required by the law of a non- Member State ("the Decree"). Our responsibility is to express a conclusion on these interim condensed separate financial statements based on our review.

PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp. k.,
Nowy Rynek, ul. Wierzbięcice 1A, 61-569 Poznań, Polska
T: +48 (61) 851 1500, F: +48 (61) 851 1501, www.pwc.com

PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt Sp. k. is entered into the National Court Register maintained by the District Court for the Capital City of Warsaw, under KRS number 0000750050, NIP 526-021-02-28. The seat of the Company is in Warsaw at Polna 11.

Scope of review

We conducted our review in accordance with the National Standard on Review Engagements 2410 in the wording of the International Standard on Review Engagements 2410 Review of interim financial information performed by the independent auditor of the entity as adopted by the resolution of the National Council of Statutory Auditors. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with National Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed separate financial statements are not prepared, in all material respects, in accordance with the International Accounting Standard 34 Interim Financial Reporting as adopted by the European Union and with the provisions of the Decree.

Conducting the review on behalf of PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k., a company entered on the list of audit firms with the number 144:

Original report is signed in Polish language

Krzysztof Zech
Key Statutory Auditor
No. in the registry 13917

Poznań, 11 August 2026

Translation note:

This version of our report is a translation from the original, which was prepared in Polish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Independent statutory auditor's report on review of the interim condensed consolidated financial statements

To the Shareholders and the Supervisory Board of Arctic Paper S.A.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Arctic Paper S.A. (the "Parent Company") and its subsidiaries (together the "Group") as at 30 June 2026 and the related interim condensed consolidated statement of profit or loss and other comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six-month period then ended, and the related additional explanatory notes (the "interim condensed consolidated financial statements").

Management of the Parent Company is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with the International Accounting Standard 34 Interim Financial Reporting as adopted by the European Union and with the applicable provisions of Decree of the Minister of Finance dated 6 June 2025 on current and periodic information provided by issuers of securities and the conditions of recognizing as equal information required by the law of a non- Member State ("the Decree"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp. k.,
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Poznań, 11 August 2026