ARCTIC PAPER

PRESS RELEASE

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Arctic Paper S.A., Q2/H1 2026:

Strengthening performance in a weak market

- Q2 consolidated sales revenue amounted to PLN 750,8mn (EUR[1] 177,0mn).
- EBITDA in Q2 was PLN 8,6mn (EUR[1] 2,0mn).
- EBIT in Q2 was PLN -29,7mn (EUR[1] -7,0mn) and net profit PLN -36,9mn (EUR[1] -8,7mn).
- Paper segment established sales office in the strategically important North American market.
- Pulp segment profitability improved.

"In response to the demanding market environment, the Group continues to execute its operational efficiency and cost optimisation initiatives."

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

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

PLN (million)	Q2 2026	Q2 2025	Change	H1 2026	H1 2025
Sales revenue, Arctic Paper Group	750,8	833,5	-82,6	1 564,8	1 656,2
Sales revenue, Arctic Paper (paper segment)	514,0	551,5	-37,5	1 087,4	1 130,3
EBITDA, Arctic Paper Group	8,6	0,01	8,6	11,1	22,9
EBITDA Arctic Paper (paper segment)	-7,8	5,9	-13,7	14,0	38,6
EBIT, Arctic Paper Group	-29,7	-88,5	58,8	-65,9	-98,3
EBIT Arctic Paper (paper segment)	-31,7	-16,0	-15,7	-33,7	-3,9
Net profit, Arctic Paper Group	-36,9	-75,0	38,1	-70,4	-98,9
Net profit, Arctic Paper (paper segment)	-31,6	-14,7	-16,9	-41,0	-18,7
Net profit per share[2]	PLN -0.50	PLN -0.66	PLN 0.16	PLN -0.81	PLN-0.85
Net debt	210,1	164,2	45,9	210,1	164,2
Net debt/EBITDA (paper segment)	0.51	-0.38	0.89	0.51	-0.38

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

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

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

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“While the timing of a market recovery remains uncertain, Arctic Paper is well equipped to navigate the current cycle.”

Michal Jarczyński, CEO of Arctic Paper S.A.

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.

Michal Jarczyński, CEO of Arctic Paper S.A.

Financial calendar for 2026: Q3: November 5th, 2026

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