

Current report no 06/2025

Date: 15th May 2025

Subject: Change of the Management Board's recommendation regarding the distribution of net profit of 2024.

General legal basis:

Art. 17 sec. 1 of MAR – inside information

The Management Board of Arctic Paper S.A. ("Company", "Issuer") hereby informs that in connection with the today's publication of the financial results for the first quarter of 2025 of the Company and its subsidiary Rottneros AB, decided to change the initial recommendation regarding the distribution of profit of 2024, which was announced in the current report no. 04/2025 dated 18th February 2025.

The Management Board of the Company decided to recommend to the Annual General Meeting to allocate the Company's net profit of 2024 in the amount of PLN 197,291,617.02 (one hundred ninety-seven million two hundred ninety-one thousand six hundred seventeen zlotys and two groszy) in its entirety to the Company's reserve capital.

The basis for the decision not to pay a dividend for 2024 is, in particular, the weaker financial results achieved in both main paper and pulp production segments of the Arctic Paper Group in the first months of 2025. In addition this decision was influenced by the fact that the prices of wood used for pulp production in Scandinavia remain at a very high level and the rapid strengthening of the Swedish krona exchange rate against the euro, and in particular against the US dollar, as well as the lack of predictability of the economic situation intensified by the introduction of global trade tariffs.

Taking into account the above-mentioned factors, the Management Board of the Company believes that in the near future the Company's priority is to maintain a strong balance sheet, a high level of cash and to focus on completing the investments already started. Once the market situation improves and trading conditions stabilize, the Company intends to return to the current dividend policy.

The final decision on the distribution of profit for the 2024 financial year will be taken by the Annual General Meeting of the Company.

Specific legal basis:

Art. 17 sec. 1 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.