

ARCTIC PAPER CAPITAL GROUP

Consolidated report for Q3 2024



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Introduction

Information on the report

This Consolidated Quarterly Report for Q3 2024 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 abbreviated consolidated financial statements in accordance with International Accounting Standard No. 34.

The Abbreviated 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 2023.

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

This consolidated quarterly report presents data in PLN, and all figures, unless otherwise indicated, are given in PLN '000.

Definitions and abbreviations

Unless the context requires otherwise, the following definitions and abbreviations are used in the whole document:

Arctic Paper, Company, Issuer, Parent Entity, 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 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; Utansjö 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 Kuldīga, 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 revenues 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 revenues from continuing operations
EBITDA	Operating profit from continuing operations plus depreciation and amortisation and impairment allowances (Earnings Before Interest, Taxes, Depreciation and Amortisation)
EBITDA profitability, EBITDA margin	Ratio of operating profit plus depreciation and amortisation and impairment allowances to sales income from continuing operations
Gross profit margin	Ratio of gross profit/(loss) to sales revenues from continuing operations
Sales profitability ratio, net profit margin	Ratio of net profit/(loss) to sales revenues
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 fixed assets ratio	Ratio of equity to fixed 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 short-term liabilities
Quick ratio	Ratio of current assets minus inventory and short-term accruals and deferred income to short-term liabilities
Cash solvency ratio	Ratio of total cash and cash equivalents to short-term 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 revenues. 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.

Additional information

to the report for Q3 2024



The Management Board's Report from operations of the Arctic Paper Capital Group and of Arctic Paper S.A.

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 of 31 September 2024, the Arctic Paper Group employed approximately 1,500 people in its paper mills, paper sales and pulp companies, purchasing office and food packaging company. Our three paper mills are located in Poland and Sweden and have a combined capacity of more than 695,000 tonnes of paper per year. The two pulp mills located in Sweden have a combined capacity of more than 400,000 tonnes of pulp per year. As of 30 September 2024, the Group had 13 Sales Offices providing access to all European markets, including Central and Eastern Europe. Our consolidated sales revenue in the Q3 2024 amounted to PLN 819,282 thousand.

Arctic Paper S.A. is a holding company set up in April 2008. The Parent Entity 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 Entity 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 the production of paper and pulp, include power generation and transmission, heat generation and distribution, packaging production, logistics services and the distribution of paper and pulp.

Arctic Paper Group's product range includes uncoated and coated wood-free paper, uncoated wood 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 2023.

Capital Group structure

The Arctic Paper Capital Group comprises Arctic Paper S.A., as the Parent Entity, and its subsidiaries, as well as joint ventures. 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 with its subsidiary producing packaging, a company of forest owners as well as Sales Offices and Procurement Offices.

Details on the organisation of the Capital Group of Arctic Paper S.A. along with identification of the consolidated entities are specified in note 2 in the abbreviated consolidated financial statements, further below in this quarterly report.

Changes in the capital structure of the Arctic Paper Group

There were no significant changes in the capital structure of the Arctic Paper Group during the three quarters of 2024.

Shareholding structure – shareholders holding at least 5% of the total number of votes in the Company

as at 07.11.2023

Shareholder	Number of shares	Share in the share capital [%]	Number of votes	Share in the total number of votes [%]
Thomas Onstad	47 205 107	68,26%	47 298 548	68,26%
- indirectly via	41 974 890	60,58%	41 974 890	60,58%
<i>Nemus Holding AB</i>	41 374 890	59,71%	41 374 890	59,71%
<i>other entity</i>	600 000	0,87%	600 000	0,87%
- directly	5 323 658	7,68%	5 323 658	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%

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 status has changed since the publication date of the interim report, 8 August 2024. The values before the change are shown in the table below:

as of 08.08.2024

Shareholder	Number of shares	Share in the share capital [%]	Number of votes	Share in the total number of votes [%]
Thomas Onstad	47 205 107	68,13%	47 205 107	68,13%
- indirectly via	41 581 449	60,01%	41 581 449	60,01%
<i>Nemus Holding AB</i>	40 981 449	59,15%	40 981 449	59,15%
<i>other entity</i>	600 000	0,87%	600 000	0,87%
- directly	5 623 658	8,12%	5 623 658	8,12%
Other	22 082 676	31,87%	22 082 676	31,87%
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%

Shares in Arctic Paper S.A. or entitlements to them held by the Company's managing and supervising persons

Managing and supervising persons	Number of shares or rights to shares as at 7.11.2023	Number of shares or rights to shares as at 30.09.2023	Number of shares or rights to shares as at 10.08.2023	Change
Management Board				
Michał Jarczyński	5 572	5 572	5 572	-
Katarzyna Wojtkowiak	-	-	-	-
Fabian Langenskiöld	900	900	900	-
Supervisory Board				
Per Lundeen	34 760	34 760	34 760	-
Thomas Onstad*	5 323 658	5 323 658	5 623 658	(300 000)
Roger Mattsson	-	-	-	-
Zofia Dzik	-	-	-	-
Anna Jakubowski	-	-	-	-

*the statement includes only shares held directly

The shareholdings of the Company's managing and supervising persons have changed since the publication of the interim report on 8 August 2024. The data is presented in the table above.

Summary of the consolidated financial results

Selected items of the consolidated profit and loss account

PLN '000	Q3 2024	Q2 2024	Q3 2023	YTD 2024	YTD 2023	Change % Q3 2024/ Q2 2024	Change % Q3 2024/ Q3 2023	Change % YTD 2024/ YTD 2023
Continuing operations								
Sales revenues	819 282	839 206	854 806	2 623 866	2 723 265	(2,4)	(4,2)	(3,6)
<i>of which:</i>								
<i>Sales of paper</i>	<i>573 035</i>	<i>573 035</i>	<i>573 035</i>	<i>1 837 286</i>	<i>1 879 270</i>	<i>(3,2)</i>	<i>(6,0)</i>	<i>(2,2)</i>
<i>Sales of pulp</i>	<i>256 909</i>	<i>266 171</i>	<i>266 171</i>	<i>266 171</i>	<i>843 995</i>	<i>(0,6)</i>	<i>-</i>	<i>(6,8)</i>
Profit on sales	159 460	151 655	193 217	518 239	604 202	5,1	(17,5)	(14,2)
EBIT	47 530	41 828	95 035	173 013	289 995	13,6	(50,0)	(40,3)
EBITDA	77 346	70 429	124 517	259 765	378 983	9,8	(37,9)	(31,5)
Net profit/(loss)	36 609	24 152	58 226	142 330	236 780	51,6	(37,1)	(39,9)
<i>% of sales revenues</i>	<i>4,47</i>	<i>2,88</i>	<i>6,81</i>	<i>5,42</i>	<i>8,69</i>	<i>1,6 p.p.</i>	<i>(2,3) p.p.</i>	<i>(3,3) p.p.</i>
Net profit/(loss) for the reporting period attributable to the shareholders of the Parent Entity	30 781	17 948	51 516	131 196	199 142	71,5	(40,3)	(34,1)

Comments of the President of the Management Board Michał Jarczyński on the results of Q3 2024

In the third quarter of 2024, Arctic Paper was still affected by an overall weaker economy in our core European markets, and subsequently lower customer demand. We are holding the ground in terms of revenue, a minor decline of 4 percent compared to the relatively strong third quarter last year, while the group's profit fell. On the other hand, compared to the previous quarter, our EBITDA margin has been strengthened. Group revenue was PLN 819.3 million (854.8 million), while EBITDA reached PLN 77.4 million (124.5 million) with a corresponding EBITDA margin of 9.4 percent. The group's financial position remains solid with a net debt/EBITDA ratio of -0.08 (-0.59).

Paper: During the period, demand for paper has continued to be dampened by the economic downturn in our largest market – Germany – with visible spillover effects in our second largest market, Poland. Paper segment revenue reached PLN 562.4 million (590.3 million), while EBITDA decreased to PLN 46.3 million (94.6 million) due to high pulp costs and a shutdown for maintenance and investment purposes in Kostrzyn. We continue to focus on margins while we also strive for a better balance in terms of capacity usage. The EBITDA margin was 8.2 percent, which is lower than the comparable quarter but higher than for the previous quarter. Capacity utilization for the period increased to 70 percent, while revenue per ton fell slightly to PLN 5.01k.

Pulp: For the pulp segment – Rottneros – the development was stable in terms of revenues and results. Revenues amounted to SEK 686 million (693). EBITDA reached SEK 70 million (79) as rising raw material costs continued to negatively affect earnings. The ambitious investment program is in a final phase: the expansion of CTMP capacity at Rottneros Mill will soon be completed at the same time as the tall oil factory in Vallvik is up and running.

Packaging: Sales of packaging paper have increased slightly over the past twelve months. The joint venture investment in a new molded fiber tray production in Kostrzyn is progressing with the goal of being operational before year-end.

Power: Arctic Paper's strategy is to diversify into energy and packaging, while maintaining the group's stronghold in paper and pulp, we continue to invest in sustainable energy. During the quarter, we started a 9.6 MW expansion of the existing PV farm in Kostrzyn. When it is ready, a third of the mill's electricity needs will be covered by renewable energy. The investment in upgrading the biofuel boiler and steam turbine in Grycksbo is also going according to plan and will increase the mill's competitiveness by reducing energy costs by and generating a new revenue stream from wood pellets.

The recovery in our main segments and most important markets may take time, therefore we expect the current market situation to persist throughout the year. We continue to diversify our business in line with the 4P strategy by investing in higher margin, lower footprint and superior growth segments.

Revenues

The decrease in paper and pulp sales revenues in the third quarter of 2024 compared to the third quarter of 2023 is due to lower paper sales prices, which were not compensated by higher sales volumes. The opposite was the case for pulp. Higher sales prices did not compensate for lower tonnage. The decrease in paper and pulp sales revenues for the three quarters of 2024 compared to the three quarters of 2023 is primarily due to significantly lower paper sales prices despite a simultaneous large increase in sales volumes. In the case of pulp, both prices and tonnage recorded declines in comparable periods

Profit from sales, EBIT, EBITDA, net profit

The decrease in sales profit, EBIT, EBITDA and net profit in the third quarter of 2024 compared to the third quarter of 2023 is primarily due to lower sales revenues with a simultaneous increase in operating costs and the provision for bad debts.

The decrease in sales profit, EBIT, EBITDA and net profit for the three quarters of 2024 compared to the three quarters of 2023 is due to lower sales revenues with a simultaneous increase in operating costs and the provision for bad debts.

Profitability analysis

<i>PLN '000</i>	Q3 2024	Q2 2024	Q3 2023	YTD 2024	YTD 2023	Change % Q3 2024/ Q2 2024	Change % Q3 2024/ Q3 2023	Change % YTD 2024/ YTD 2023
Profit/(loss) on sales	159 460	151 655	193 217	518 239	604 202	5,1	(17,5)	(14,2)
<i>% of sales revenues</i>	19,46	18,07	22,60	19,75	22,19	1,4 p.p.	(4,5) p.p.	(2,4) p.p.
EBITDA	77 346	70 429	124 517	259 765	378 983	9,8	(37,9)	(31,5)
<i>% of sales revenues</i>	9,44	8,39	14,57	9,90	13,92	1,0 p.p.	(6,2) p.p.	(4,0) p.p.
EBIT	47 530	41 828	95 035	173 013	289 995	13,6	(50,0)	(40,3)
<i>% of sales revenues</i>	5,80	4,98	11,12	6,59	10,65	0,8 p.p.	(5,3) p.p.	(4,1) p.p.
Net profit/(loss)	36 609	24 152	58 226	142 330	236 780	51,6	(37,1)	(39,9)
<i>% of sales revenues</i>	4,47	2,88	6,81	5,42	8,69	1,6 p.p.	(2,3) p.p.	(3,3) p.p.
Return on equity / ROE (%)	2,1	1,4	3,2	8,0	13,2	0,7 p.p.	(1,2) p.p.	(5,2) p.p.
Return on assets / ROA (%)	1,3	0,9	2,1	5,2	8,7	0,4 p.p.	(0,8) p.p.	(3,4) p.p.

Lower return on equity and return on assets ratios were due primarily to the lower net profit generated in the three quarters 2024 versus the equivalent period last year.

Selected items of the consolidated statement of financial position

<i>PLN '000</i>	30.09.2024	31.12.2023	30.09.2023	Change 30.09.2024 -31.12.2023	Change 30.09.2024 -30.09.2023
Fixed assets	1 427 970	1 292 261	1 251 535	135 709	176 435
Current assets	1 295 476	1 430 616	1 485 764	(135 139)	(190 287)
Total assets	2 723 447	2 722 877	2 737 299	570	(13 852)
Equity	1 782 774	1 801 509	1 794 841	(18 735)	(12 067)
Short-term liabilities	674 762	641 617	655 983	33 144	18 778
Long-term liabilities	265 913	279 753	286 474	(13 841)	(20 561)
Total equity and liabilities	2 723 447	2 722 879	2 737 299	570	(13 852)

Fixed assets

The increase in the value of fixed assets at the end of September 2024 compared to the previous year-end is mainly due to the higher value of tangible and intangible assets. The increase in property, plant and equipment and non-material assets is mainly due to the increase in investment in the Group.

Current assets

The decrease in current assets at the end of September 2024 compared to the end of the previous year is mainly due to the decrease in cash and cash equivalents.

Equity

The decrease in the value of equity at the end of September 2024 compared to the end of the previous year is mainly due to a decrease in the valuation of subsidiaries for which the functional currency is other than PLN, recognised in other comprehensive income, the negative valuation of financial instruments treated as hedges of future cash flows and the payment of dividend to Arctic Paper S.A. Shareholders and to non-controlling Shareholders paid by Rottneros AB.

Short-term liabilities

The increase in current liabilities at the end of September 2024 compared to the previous year-end is mainly due to an increase in revolving credit and current account debt, mainly in Rottneros Group companies.

Long-term liabilities

The decrease in long-term liabilities at the end of September 2024 compared to the previous year-end is mainly due to a decrease in deferred income tax liabilities and loans due to their reclassification to the short-term portion. The decrease in the deferred tax liability is primarily the result of the negative valuation of derivatives.

Debt analysis

	Q3 2024	Q2 2024	Q3 2023	Change % Q3 2024/ Q2 2024	Change % Q3 2024/ Q3 2023
Debt to equity ratio (%)	52,8	52,1	52,5	0,6 p.p.	0,3 p.p.
Equity to fixed assets ratio (%)	124,8	129,4	143,4	(4,6) p.p.	(18,6) p.p.
Interest-bearing debt-to-equity ratio (%)	12,7	9,5	10,5	3,3 p.p.	2,2 p.p.
Net debt to EBITDA ratio for the last 12 months (x)	(0,1)x	(0,4)x	(0,6)x	0,3	0,5
EBITDA to interest expense ratio for the last 12 months (x)	57,2x	46,4x	99,2x	10,8	(42,0)

The increase in the debt-to-equity ratio in the Q3 2024 compared to the same period of the previous year is due to an increase in short-term debt.

The decrease in the fixed assets to equity ratio in the Q3 2024 to the same period of the previous year is due to an increase in tangible and intangible assets.

The decrease in the ratio of interest expense to EBITDA for the 12 months ended 30 September 2024 to the 12 months ended 30 September 2024 is a result of the decrease in 12-month EBITDA.

Liquidity analysis

	Q3 2024	Q2 2024	Q3 2023	Change % Q3 2024/ Q2 2024	Change % Q3 2024/ Q3 2023
Current ratio	1,9x	1,9x	2,3x	(0,0)	(0,3)
Quick ratio	1,1x	1,2x	1,5x	(0,0)	(0,4)
Cash solvency ratio	0,4x	0,5x	0,8x	(0,1)	(0,4)
DSI (days)	69,8	66,1	63,8	3,7	6,1
DSO (days)	52,4	49,4	49,1	3,0	3,3
DPO (days)	61,1	60,9	59,5	0,2	1,6
Operating cycle (days)	122,2	115,5	112,9	6,7	9,3
Cash conversion cycle (days)	61,1	54,6	53,4	6,5	7,8

The extension of the cash conversion cycle in the Q3 2024 to the same period of the previous year and to the previous quarter is a result of the extension of inventory turnover and accounts payable in days.

Selected items of the consolidated cash flow statement

<i>PLN '000</i>	Q3 2024	Q2 2024	Q3 2023	YTD 2024	YTD 2023	Change % Q3 2024/ Q2 2024	Change % Q3 2024/ Q3 2023	Change % YTD 2024/ YTD 2023
Cash flows from operating activities	(3 144)	4 098	200 423	79 060	345 138	-177%	-102%	-77%
Cash flows from investing activities	(107 001)	(103 093)	(32 664)	(283 063)	(69 615)	4%	228%	307%
Cash flows from financing activities	58 377	(71 573)	6 617	(35 883)	(252 250)	-182%	782%	-86%
Total cash flows	(51 767)	(170 568)	174 376	(239 886)	23 273	-354%	908%	144%

Cash flows from operating activities

The negative cash flows from operating activities in both Q3 2024 is primarily the result of lower EBITDA, an increase in inventories, receivables and other financial assets. The positive cash flows for the three quarters of 2024 is the result of 2024 profit and an increase in liabilities.

Cash flows from investing activities

The negative cash flows from investing activities in both the Q3 2024 and for the three quarters of 2024 is mainly the result of expenditure on the purchase of tangible assets.

Cash flows from financing activities

The positive cash flow from financing activities in Q3 2024 is primarily the result of an increase in debt under the revolving overdraft facility.

The negative cash flows from financing activities for the three quarters of 2024 is primarily the result of dividend payments to the shareholders of Arctic Paper S.A. as well as to non-controlling shareholders.

Summary of the standalone financial results

Selected items of the standalone income statement

<i>PLN '000</i>	Q3 2024	Q2 2024	Q3 2023	YTD 2024	YTD 2023	Change % Q3 2024/ Q2 2024	Change % Q3 2024/ Q3 2023	Change % YTD2024/ YTD2023
Sales revenues	5 338	94 216	3 873	118 703	191 416	(94,33)	37,83	(95 50)
Profit on sales	2 803	91 568	1 180	110 756	183 870	(96,94)	137,54	(97,47)
EBIT	(2 393)	87 250	(2 950)	94 429	172 121	(102,74)	(18,88)	(45,14)
EBITDA	(2 282)	87 359	(2 872)	94 742	172 337	(102,61)	(20,54)	(102,41)
Gross profit/(loss)	(512)	86 917	(3 322)	96 378	170 214	(100,59)	(84,59)	(100,53)
Net profit/(loss)	398	88 451	(2,983)	99 429	171 968	(99,55)	(113,34)	(99,60)

Revenues, profit on sales, costs of sales

The main reason for the increase in revenue and profit in the Q3 2024 compared to the same period of 2023 were higher revenues from the sale of services to the Group companies, including income from interest on loans granted and dividend income, as well as lower cost of sales.

EBIT and EBITDA

The lower loss at the EBIT and EBITDA level in the third quarter of 2024 compared to the same period in 2023 was caused by higher revenues, which consisted of the sale of services provided to the Group companies, including revenues from interest on loans granted and dividends.

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

The financial result in the third quarter of 2024 compared to the same period in 2023 results from higher operating income (services and dividends) generated by the Company.

Selected items of the standalone statement of financial position

<i>PLN '000</i>	30.09.2024	31.12.2023	30.09.2023	Change 30.09.2024 -31.12.2023	Change 30.09.2024 -30.09.2023
Fixed assets	1 002 951	989 972	910 386	12 979	92 565
Current assets	166 570	297 712	265 838	(131 142)	(99 268)
Total assets	1 169 521	1 287 686	1 176 224	(118 165)	(6,702)
Equity	866 949	837 975	759 174	28 974	107 775
Short-term liabilities	262 887	405 043	345 058	(142 156)	(82 171)
Long-term liabilities	39 688	44 668	71 993	(4 980)	(32 305)
Total equity and liabilities	1 169 521	1 287 686	1 176 224	(118 165)	(6 703)

Fixed assets

The increase in the value of fixed assets at the end of the Q3 2024 compared to the end of the previous year is due to the higher value of property, plant and equipment and other financial assets, i.e. long-term intra-group loans.

Current assets

The decrease in current assets at the end of Q3 2024 was due to lower cash balances compared to Q3 2023.

Equity

At the end of September 2024, the value of equity increased mainly due to the profit generated in 2024.

Short-term liabilities

The decrease in current liabilities in the Q3 2024 is due to a decrease in the company's cash-pooling liabilities compared to the corresponding period in 2023.

Long-term liabilities

The decrease in long-term liabilities at the end of the Q3 2024 in relation to the same period in 2023 is due to the repayment of the Company's loan instalments as scheduled.

Selected items of the standalone cash flow statement

<i>PLN '000</i>	Q3 2024	Q2 2024	Q3 2023	YTD 2024	YTD 2023	Change % Q3 2024/ Q2 2024	Change % Q3 2024/ Q3 2023	Change % YTD 2024/ YTD 2023
Cash flows from operating activities	(41 242)	(36 978)	140 803	(51 897)	224 361	11,5	(129,3)	(123,1)
Cash flows from investing activities	177	(415)	(21 090)	(531)	(25 872)	(142,6)	(100,8)	(97,9)
Cash flows from financing activities	(74)	(84 099)	(185 004)	(84 487)	(188 423)	(99,9)	(100,0)	(55,2)
Total cash flows	(41 139)	(121 492)	(65 292)	(136 914)	10 066	(231,0)	(330,1)	(276,2)

The negative cash flows from operating activities at the end of the Q3 the current year was mainly due to the change in cash-pooling liabilities compared to the same period in 2023.

In the three quarters of 2024, flows from investing activities amounted to PLN -531 thousand. The negative flows were related to the purchase of fixed assets in the company.

At the end of the Q3 2024, the company recorded negative cash flows from financing activities, which was related to the payment of dividends in a smaller amount than in the corresponding period of 2023.

Significant information and factors having an impact on the Arctic Paper Group's performance and assessment of its financial position

Information on market trends

Supplies of fine paper

In the Q3 2024, the Arctic Paper Group reported a 1.5% decrease in order levels compared to the Q2 2024, while order levels increased by 3.7% compared to the same period in 2023.

In the first three quarters of 2024, the Arctic Paper Group recorded a 16.4% year-on-year increase in order levels compared to the same period last year.

Data source: Arctic Paper analysis

Paper prices

At the end of Q3 2024, prices for uncoated wood-free papers (UWF) in Europe increased by 1% compared to prices at the end of September 2023, while for coated wood-free papers (CWF) they recorded an increase of 3%.

At the end of September 2024, the average prices declared by producers for selected types of paper and markets: Germany, France, Spain, Italy, the UK for both uncoated wood-free (UWF) and coated wood-free (CWF) papers were higher than at the end of June 2024 by 0.2% and 0.4% respectively.

Arctic Paper's invoiced prices in EUR of comparable products in the uncoated wood-free paper (UWF) segment decreased by an average of 1.4% from the end of June 2024 to the end of September 2024. Prices also fell by the same amount in the wood-free coated papers (CWF) segment. At the end of Q3 2024, Arctic Paper's invoiced prices for uncoated wood-free (UWF) paper decreased by 3% compared to prices at the end of September 2023, while for coated wood-free (CWF) paper they recorded a decrease of 0.2%.

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 clients 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 Q3 2024, the pulp prices reached the level of: NBSK – USD 1,567/tonne and BHKP – USD 1,260.6/tonne.

The average NBSK price in Q3 2024 was higher by 36.6% compared to the same period of last year while for BHKP the average price was higher by 64.7%. Compared to the Q2 2024, the average pulp price in the Q3 this year increased for NBSK by 6.7% and for BHKP by 1.6%.

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 Q3 2024 increased by 10.4% compared to Q2 2024. The average cost of pulp used in paper production in the Q3 2024, compared to the same period last year, increased by 16.8%.

The share of pulp costs in the costs of sales after 9 months of the current year was 53% versus 51% in the same quarter in 2023.

The Arctic Paper Group uses the pulp in the production process according to the following structure: BHKP 77%, NBSK 19% and other 4%.

Data source: www.foex.fi Arctic Paper analysis

Currency exchange rates

At the end of Q3 2024, the EUR/PLN rate amounted to 4.2791 and was by 7.7% lower than at the end of Q3 2023. The mean EUR/PLN exchange rate in Q3 2024 amounted to 4.2840 and was by 4.8% lower than in the same period of 2023.

The EUR/SEK exchange rate amounted to 11.2935 at the end of Q3 2024 (decrease by 1.7% versus the end of Q3 2023). For that currency pair, the average exchange rate in Q3 2024 was by 2.7% lower than in the same period of 2023. The appreciating SEK against the euro adversely affected the level of revenue invoiced in euro at the factories in Sweden (AP Munkedals and AP Grycksbo).

The USD/PLN exchange rate as at the end of Q3 2024 amounted to 3.8193. In Q3 2024 the mean USD/PLN exchange rate was 3.9010 versus 4.1360 in the same period of the previous year which was a decrease by 5.7%. It was also 2.4% lower than in the Q2 2024. 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 Q3 2024 amounted to 10.0800. The average rate in the Q3 2024 was 10.4284, compared to 10.8135 in the same period of the previous year, representing a depreciation of 3.6%. In the Q3 2024, the average USD/SEK exchange rate decreased by 2.4% compared to the Q2 2024. The change in the exchange rate compared to the corresponding quarter of 2023 had a favourable impact on costs realised in USD by AP Munkedals and AP Grycksbo, in particular pulp costs.

The EUR/USD exchange rate at the end of September this year was 1.1204, compared to 1.0609 (+5.6%) at the end of September 2023. The average rate in Q3 2024 was 1.0984, compared with 1.0884 in the same period last year and 1.0766 in Q2 2024. This represents a strengthening of the EUR against the USD compared to Q3 2023 by 0.9% and compared to Q2 2024 by 2%.

The appreciation of the PLN against the EUR adversely affected the Group's financial results, mainly due to a decrease in sales revenue generated in EUR and expressed in PLN. The strengthening of the PLN against the 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 appreciating SEK against the euro adversely affected revenues generated in euro at APM and APG factories.

Factors which have an impact on the financial results in the perspective of the next quarter

The material factors that have an impact on the financial results over the next months, include:

- Shaping demand for high-grade papers in Europe at a time of a tense geopolitical situation, high pulp prices, and an economic slowdown in Germany. 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 accelerated digitalisation of legacy print products may have the additional effect of reducing demand for high-quality graphic papers and therefore negatively impact the Group's financial performance.
- Price changes of fine paper. In particular, financial performance will be impacted by the ability to maintain current price levels for Arctic Paper products in local currencies due to weakening supply/demand levels in Europe and in the context of exchange rate movements. Paper prices will play a particularly important role for the Kostrzyn mill, which is particularly strongly negatively affected by decreasing sales volumes and prices due to the changes in the market.
- 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, decreasing NBSK pulp prices may negatively affect the financial performance of the Pulp Mill. 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. However, the Group's Pulp Mills may benefit from the appreciation of USD in relation to SEK.

Risk factors

In Q3 2024, there were no material changes to the risk factors. Those were presented in detail in the annual report for 2023.

Key factors having an impact on 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 increase 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;
- FX 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 have an impact on the demand for the Group's products and the Group's operating results. Those factors include:

- GDP increase;
- net income – as a metric of income and wealth 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 increase 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 revenues 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 revenues.

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 CO2 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 revenues 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 revenues, 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 revenues are largely denominated in EUR, GBP, SEK and PLN while revenues 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 revenues and incur costs, and the currency in which we report our financial results (PLN).

Events and factors of an unusual nature. Impact of changes in the structure of the Arctic Paper Group on the financial result

Receipt of the decision to grant support to the Issuer's subsidiary

On 11 March 2024, the Management Board became aware that the Ministry of Development and Technology had granted its subsidiary Arctic Paper Kostrzyn S.A. a decision on public aid for development investments. These investments will consist of upgrading paper machines, improving the efficiency and energy intensity of the paper production process and building infrastructure. The support decision was granted under the following conditions:

1. If the tax exemption for eligible costs is used, the maximum amount of eligible investment costs will be PLN 133.9 million.
2. The nominal value of the aid in the form of tax exemptions will amount to a maximum of PLN 53.4 million, (40% of the expenditure incurred) and will depend on the actual investment outlay. Arctic Paper Kostrzyn S.A. will be entitled to benefit from the aid upon completion of the investment within a period of 14 years from the date of the decision.
3. The new investments will take place between 1 April 2024 and 31 March 2027.

Conclusion of significant agreements by the Issuer's subsidiaries

On 8 May 2024, the Board became aware that the subsidiaries Arctic Paper Grycksbo AB and Arctic Paper Munkedal AB had entered into an agreement with S.E.R. Sverige AB, concerning the installation and grid connection at the two Swedish paper mills, of battery-based electricity storage facilities with a total capacity of 24 MW and the provision of system services to the Swedish electricity transmission system operator Svenska Kraftnät.

The agreements have been concluded for a period of 15 years and the estimated impact on the annual consolidated EBITDA of the Issuer's group will be between MSEK 10 and MSEK 30 in the first two years of the agreements, starting from 2025.

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 2024.

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

As of 30 September 2024, the Company's Supervisory Board was composed of:

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

As of 30 September 2024, the Parent Entity'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 other changes to the composition of the Management Board of the Parent Entity.

Information on sureties and guarantees granted in three quarters of 2024

During the period covered by this report, the Company and the Group did not issue any new sureties or guarantees.

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 entities on non-market terms and conditions.

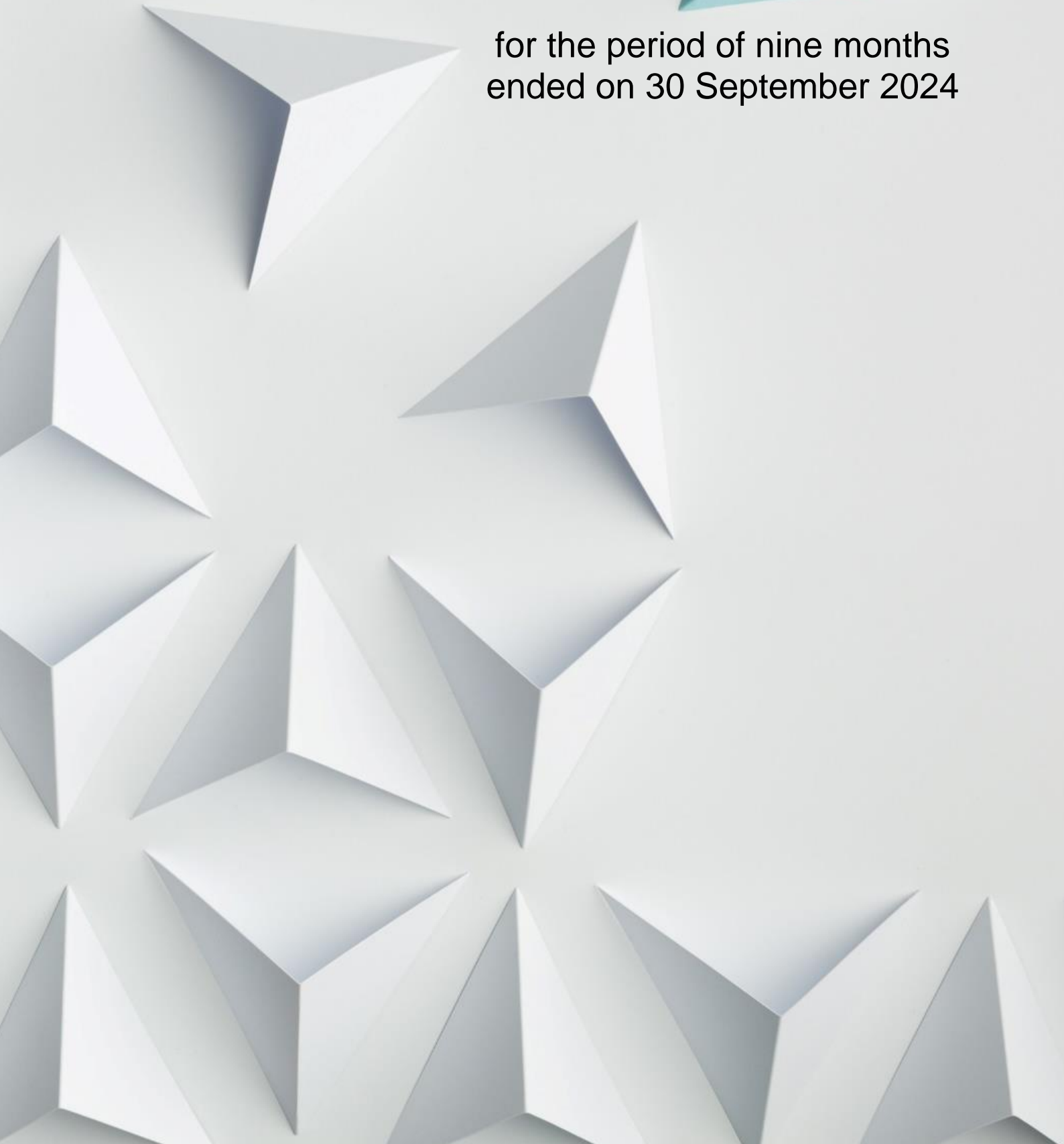
Signatures of the Members of the Management Board

Position	First and last name	Date	Signature
President of the Management Board Chief Executive Officer	Michał Jarczyński	07 November 2024	signed with a qualified electronic signature
Member of the Management Board Chief Financial Officer	Katarzyna Wojtkowiak	07 November 2024	signed with a qualified electronic signature
Member of the Management Board Vice-President for Sales and Marketing	Fabian Langenskiöld	07 November 2024	signed with a qualified electronic signature

Interim abbreviated financial statements



for the period of nine months
ended on 30 September 2024



Interim abbreviated consolidated financial statements

Interim abbreviated consolidated profit and loss statement

	3-month period ended on 30 September 2024 (unaudited)	9-month period ended on 30 September 2024 (unaudited)	3-month period ended on 30 September 2023 (unaudited)	9-month period ended on 30 September 2023 (unaudited)
Continuing operations				
Revenues from sales of products	819 282	2 623 866	854 806	2 723 265
Sales revenues	819 282	2 623 866	854 806	2 723 265
Costs of sales	(659 822)	(2 105 627)	(661 589)	(2 119 063)
Profit/(loss) on sales	159 460	518 239	193 217	604 202
Selling and distribution costs	(90 357)	(269 736)	(76 261)	(250 522)
Administrative expenses	(26 107)	(86 110)	(30 799)	(93 805)
Other operating income	8 764	49 220	18 590	68 256
Other operating expenses	(4 229)	(38 600)	(9 712)	(38 136)
Operating profit/(loss)	47 530	173 013	95 035	289 995
Financial income	(3 683)	8 724	(6 284)	8 926
Financial expenses	(2 558)	(10 107)	(4 889)	(9 237)
Gross profit/(loss)	41 290	171 630	83 862	289 684
Income tax	(4 681)	(29 300)	(25 635)	(52 904)
Net profit/(loss)	36 609	142 330	58 226	236 780
Attributable to:				
The shareholders of the Parent Entity	30 781	131 196	51 516	199 142
Non-controlling shareholders	5 828	11 134	6 710	37 638
	36 609	142 330	58 226	236 780
Earnings per share:				
– basic earnings from the profit/(loss) attributable to the shareholders of the Parent Entity	0,44	1,89	0,74	2,87
– diluted earnings from the profit attributable to the shareholders of the Parent Entity	0,44	1,89	0,74	2,87

Interim abbreviated consolidated statement of comprehensive income

	3-month period ended on 30 September 2024 (unaudited)	9-month period ended on 30 September 2024 (unaudited)	3-month period ended on 30 September 2023 (unaudited)	9-month period ended on 30 September 2023 (unaudited)
Profit for the reporting period	36 609	142 330	58 226	236 780
Other comprehensive income				
<i>Items to be reclassified to profit/(loss) in future reporting periods:</i>				
FX differences on translation of foreign operations	12 594	(23 169)	92 512	(58 922)
Measurement of financial instruments	(14 479)	(64 106)	(99 150)	(245 130)
Deferred income tax on the measurement of financial instruments	(2 950)	7 209	20 416	50 020
<i>Items that were reclassified to profit/(loss) during the reporting period:</i>				
Measurement of financial instruments	3 255	2 855	(1 529)	(14 071)
Deferred income tax on the measurement of financial instruments	(670)	(588)	365	2 908
<i>Items not to be reclassified to profit/loss in future reporting periods:</i>				
Actuarial profit/(loss) for defined benefit plans	-	-	-	-
Deferred tax on actuarial gains/(losses)	-	-	-	-
Other net comprehensive income	(2 251)	(77 799)	12 613	(265 195)
Total comprehensive income for the period	34 358	64 532	70 840	(28 415)
Total comprehensive income attributable to:				
The shareholders of the Parent Entity	31 778	80 640	50 777	2 438
Non-controlling shareholders	2 580	(16 109)	20 062	(30 853)

Interim abbreviated consolidated statement of financial position

	As of 30 September 2024 (unaudited)	As of 30 June 2024 (after review)	As of 31 December 2023 (audited)	As of 30 September 2023 (unaudited)
ASSETS				
Fixed assets				
Tangible fixed assets	1 342 752	1 262 338	1 166 171	1 124 447
Investment properties	1 751	1 751	1 751	1 763
Intangible assets	45 415	44 640	58 464	52 496
Goodwill	7 957	7 961	8 230	8 469
Interests in joint ventures	4 795	4 796	4 891	4 276
Other financial assets	23 575	27 491	49 414	55 845
Other non-financial assets	163	165	158	135
Deferred income tax assets	1 562	2 059	3 183	4 104
	1 427 970	1 351 201	1 292 261	1 251 535
Current assets				
Inventories	511 867	505 341	444 930	468 705
Trade and other receivables	476 777	460 496	415 421	466 329
Corporate income tax receivables	23 780	15 205	847	8 677
Other non-financial assets	21 950	16 099	17 170	15 692
Other financial assets	6 638	3 630	51 798	31 598
Cash and cash equivalents	254 463	307 672	500 449	494 764
	1 295 476	1 308 443	1 430 616	1 485 764
TOTAL ASSETS	2 723 447	2 659 644	2 722 877	2 737 299

	As of 30 September 2024 (unaudited)	As of 30 June 2024 (after review)	As of 31 December 2023 (audited)	As of 30 September 2023 (unaudited)
EQUITY AND LIABILITIES				
Equity				
Share capital	69 288	69 288	69 288	69 288
Reserve capital	625 733	625 733	443 805	443 805
Other reserves	148 252	150 204	175 639	167 846
FX differences on translation	(132 341)	(133 139)	(107 340)	(91 897)
Retained earnings/Accumulated losses	742 016	710 918	862 036	813 938
Cumulated other comprehensive income related to discontinued operations				
	1 452 948	1 423 003	1 443 428	1 402 980
Non-controlling interests	329 828	325 412	358 081	391 861
Total equity	1 782 776	1 748 415	1 801 509	1 794 841
Long-term liabilities				
Interest-bearing loans	84 453	57 284	79 311	100 621
Provisions	5 102	4 928	5 095	1 210
Employee liabilities	19 637	19 908	41 139	42 878
Other financial liabilities	39 880	33 789	24 887	22 136
Deferred income tax liability	109 761	109 654	121 208	111 132
Grants and deferred income	7 080	7 565	8 113	8 497
	265 913	233 128	279 753	286 474
Short-term liabilities				
Interest-bearing loans	95 606	61 091	43 862	58 886
Provisions	298	290	1 240	7 588
Other financial liabilities	6 999	13 379	4 880	6 463
Trade and other payables	447 744	465 172	447 917	437 360
Employee liabilities	91 330	103 111	105 525	87 079
Income tax liability	24 932	25 423	29 485	41 750
Grants and deferred income	7 853	9 634	8 708	16 858
	674 762	678 100	641 617	655 983
TOTAL LIABILITIES	940 673	911 229	921 371	942 458
TOTAL EQUITY AND LIABILITIES	2 723 448	2 659 644	2 722 878	2 737 299

Interim abbreviated consolidated cash flow statement

	3-month period ended on 30 September 2024 (unaudited)	9-month period ended on 30 September 2024 (unaudited)	3-month period ended on 30 September 2023 (unaudited)	9-month period ended on 30 September 2023 (unaudited)
Cash flows from operating activities				
Gross profit/(loss)	41 290	171 630	83 862	289 684
Adjustments for:				
Depreciation/amortisation	29 816	86 751	29 482	88 988
FX gains/(loss)	3 711	(3 882)	6 269	117
Interest, net	(2 238)	4 294	90	6 268
Profit/(loss) from investing activities	1 743	3 787	4 082	3 097
(Increase) / decrease in receivables and other non-financial assets	(16 785)	(71 235)	(46 281)	17 447
(Increase) / decrease in inventories	(6 471)	(78 335)	87 877	116 436
Increase/(decrease) of liabilities except loans, borrowings, bonds and other financial liabilities	(21 304)	17 660	67 322	(86 995)
Change in provisions	183	(767)	50	7 127
Change in non-financial assets	(9 003)		5 093	
Income tax paid	(11 959)	(50 731)	(26 967)	(77 507)
Movement in pension provisions and employee liability	(10 397)	(11 544)	(21 904)	(43 417)
Change in grants and deferred income	(2 256)	(1 715)	7 510	428
Co-generation certificates and CO2 emission rights	(834)	11 693	(47)	(8 608)
Change in settlement of realised forward contracts that meet hedge accounting rules	1 450	1 450	3 666	32 603
Other	(89)	3	321	(529)
Net cash flows from operating activities	(3 144)	79 060	200 423	345 138
Cash flows from investing activities				
Disposal of tangible fixed assets and intangible assets	(381)	418	2 002	2 215
Purchase of tangible fixed assets and intangible assets	(106 987)	(286 874)	(49 176)	(118 749)
Outflows of bank deposit established for over 3 months	-	-	-	(41 520)
Inflows of bank deposit established for over 3 months	-	-	-	41 520
Interest received	-	-	-	531
Inflows from forward contracts not meeting hedge accounting rules	367	3 392	14 510	45 979
Other capital outflows / inflows	-	-	-	409
Net cash flows from investing activities	(107 001)	(283 063)	(32 664)	(69 615)
Cash flows from financing activities				
Change to overdraft facilities	34 253	53 213	12 648	12 648
Repayment of leasing liabilities	(2 763)	(6 971)	(1 113)	(5 553)
Inflows/repayment of other financial liabilities	5	4	18	(801)
Inflows under loans	32 029	33 546	39 983	39 983
Repayment of loans	(4 209)	(27 609)	(44 756)	(62 805)
Dividend disbursed to shareholders of AP SA	-	(69 288)	-	(187 077)
Dividend disbursed to non-controlling shareholders	(952)	(14 932)	-	(41 849)
Net cash flows from financing activities	57 426	(35 883)	6 617	(252 250)
Increase/(decrease) in cash and cash equivalents	(53 019)	(239 886)	174 376	23 273
Net FX differences	(490)	(6 100)	13 152	(10 439)
Cash and cash equivalents at the beginning of the period	307 672	500 449	307 235	481 930
Cash and cash equivalents at the end of the period	254 463	254 463	494 764	494 764

Interim abbreviated consolidated statement of changes in equity

Attributable to the shareholders of the Parent Entity								
	Share capital	Reserve capital	FX differences on translation of foreign operations	Other reserves	Retained earnings (Accumulated losses)	Total	Equity attributable to non-controlling shareholders	Total equity
As of 1 January 2024	69 288	443 805	(107 339)	175 639	862 036	1 443 427	358 081	1 801 508
Net profit/(loss) for the period	-	-	-	-	131 196	131 196	11 134	142 330
Other net comprehensive income for the period	-	-	(25 003)	(27 387)	-	(52 390)	(25 409)	(77 799)
Total comprehensive income for the period	-	-	(25 003)	(27 387)	131 196	78 809	(14 275)	64 535
Profit distribution /Dividend for shareholders of AP SA	-	-	-	-	(69 288)	(69 288)	-	(69 288)
Dividend distribution to non-controlling entities	-	-	-	-	-	-	(13 980)	(13 980)
Financial profit distribution	-	181 928	-	-	(181 928)	-	-	-
As of 30 September 2024 (unaudited)	69 288	625 733	(132 342)	148 252	742 016	1 452 947	329 828	1 782 775
Attributable to the shareholders of the Parent Entity								
	Share capital	Reserve capital	FX differences on translation of foreign operations	Other reserves	Retained earnings (Accumulated losses)	Total	Equity attributable to non-controlling shareholders	Total equity
As of 1 January 2023	69 288	407 976	(39 794)	312 447	837 702	1 587 620	464 563	2 052 183
Net profit/(loss) for the period	-	-	-	-	199 142	199 142	37 638	236 780
Other net comprehensive income for the period	-	-	(52 103)	(144 602)	-	(196 705)	(68 491)	(265 195)
Total comprehensive income for the period	-	-	(52 103)	(144 602)	199 142	2 438	(30 853)	(28 415)
Profit distribution /Dividend for shareholders of AP SA	-	35 829	-	-	(222 906)	(187 077)	-	(187 077)
Dividend distribution to non-controlling entities	-	-	-	-	-	-	(41 849)	(41 849)
As of 30 September 2023 (unaudited)	69 288	443 805	(91 897)	167 846	813 938	1 402 980	391 861	1 794 841

Additional notes to the interim abbreviated consolidated financial statements
provided on pages 38 to 53 constitute an integral part hereof

Interim abbreviated standalone financial statements

Interim abbreviated standalone profit and loss statement

	3-month period ended on 30 September 2024 (unaudited)	9-month period ended on 30 September 2024 (unaudited)	3-month period ended on 30 September 2023 (unaudited)	9-month period ended on 30 September 2023 (unaudited)
Continuing operations				
Revenues from sales of services	4 231	10 964	3 469	10 593
Interest income on loans	607	1 642	404	1 589
Dividend income	500	106 097	-	179 234
Sales revenues	5 338	118 703	3 873	191 416
Interest expense to related entities and costs of sales of logistics services	(2 535)	(7 947)	(2 693)	(7 546)
Profit/(loss) on sales	2 803	110 756	1 180	183 870
Other operating income	137	150	6	53
Administrative expenses	(5 167)	(16 265)	(4 089)	(10 440)
Impairment allowances to assets	-	-	-	(1 289)
Other operating expenses	(166)	(212)	(47)	(73)
Operating profit/(loss)	(2 393)	94 429	(2 950)	172 121
Financial income	2 644	6 282	906	3 776
Financial expenses	(763)	(4 333)	(1 278)	(5 683)
Gross profit/(loss)	(512)	96 378	(3 322)	170 214
Income tax	910	3 051	(214)	1 754
Net profit/(loss) for the financial year	398	99 429	(3 537)	171 968
Earnings per share:				
– basic earnings from the profit/(loss) for the period (in PLN)	0,01	1,44	(0,05)	2,48
– basic earnings from the profit/(loss) from continuing operations for the period (in PLN)	0,01	1,44	(0,05)	2,48

Interim abbreviated standalone statement of comprehensive income

	3-month period ended on 30 September 2024 (unaudited)	9-month period ended on 30 September 2024 (unaudited)	3-month period ended on 30 September 2023 (unaudited)	9-month period ended on 30 September 2023 (unaudited)
Net profit/(loss) for the reporting period	398	99 429	(3 537)	171 968
<i>Items to be reclassified to profit/(loss) in future reporting periods:</i>				
Measurement of financial instruments	747	(1 636)	(708)	(3 100)
Deferred income tax on the measurement of financial instruments	-	169	-	1 450
FX differences on translation of foreign operations	(4)	300	610	413
Other comprehensive income (net)	744	(1 167)	(98)	(1 237)
Total comprehensive income	1 142	98 262	(3 635)	170 731

Interim abbreviated standalone statement of financial position

	As of 30 September 2024 (unaudited)	As of 30 June 2024 (after review)	As of 31 December 2023	As of 30 September 2023 (unaudited)
ASSETS				
Fixed assets				
Tangible fixed assets	1 283	1 538	1 026	1 104
Intangible assets	1 321	1 325	1 331	1 335
Shares in subsidiaries and joint ventures	960 977	960 977	960 977	880 772
Other financial assets	38 087	30 807	25 356	25 310
Deferred income tax	1 283	1 283	1 283	1 865
	1 002 951	995 929	989 972	910 386
Current assets				
Trade and other receivables	15 222	14 572	15 935	17 526
Income tax receivables	6 174	4 219	2 192	3 954
Other financial assets	8 831	8 280	7 519	12 523
Other non-financial assets	10 056	10 805	7 916	8 497
Cash and cash equivalents	126 287	167 309	264 150	223 338
	166 570	205 185	297 712	265 838
TOTAL ASSETS	1 169 521	1 201 115	1 287 686	1 176 224
EQUITY AND LIABILITIES				
Equity				
Share capital	69 288	69 288	69 288	69 288
Reserve capital	625 736	625 736	443 808	463 331
Other reserves	136 831	137 578	138 298	103 625
FX differences on translation	2 438	2 434	2 138	1 876
Retained earnings/Accumulated losses	32 657	32 259	184 444	121 055
Total equity	866 949	867 295	837 975	759 174
Long-term liabilities				
Interest-bearing loans, borrowings and bonds	37 287	27 714	42 080	70 519
Other long-term liabilities	-	3	17	24
Deferred income tax liability	2 401	2 401	2 570	1 450
	39 688	30 118	44 668	71 993
Short-term liabilities				
Interest-bearing loans, borrowings and bonds	237 662	277 959	380 057	318 847
Trade payables	20 789	21 448	18 939	23 301
Other financial liabilities	26	30	38	45
Other short-term liabilities	1 923	1 783	1 488	2 554
Employee liabilities	2 487	2 486	2 960	-
Income tax liability	-	-	1 561	311
	262 887	303 706	405 043	345 058
TOTAL LIABILITIES	302 575	333 824	449 710	417 051
TOTAL EQUITY AND LIABILITIES	1 169 521	1 201 115	1 287 686	1 176 224

Interim abbreviated standalone cash flow statement

	3-month period ended on 30 September 2024 (unaudited)	9-month period ended on 30 September 2024 (unaudited)	3-month period ended on 30 September 2023 (unaudited)	9-month period ended on 30 September 2023 (unaudited)
Cash flows from operating activities				
Gross profit/(loss)	(512)	96 378	(3 323)	170 214
Adjustments for:				
Depreciation/amortisation	111	313	78	216
FX gains/(loss)	(319)	663	1 302	(1 075)
Net interest and dividends	110	630	(3 245)	675
Profit/(loss) from investing activities	(30)	(30)	(295)	(859)
Increase / decrease in receivables and other non-financial assets	99	(1 427)	(4 204)	(5 163)
Change in liabilities except for loans and borrowings and other financial liabilities	(507)	1 816	(64)	(2 151)
Change in accruals and prepayments	-	-	1 517	(1 319)
Change in provisions	-	-	52	52
Income tax	(1 045)	(2 493)	798	-
Change to liabilities due to cash-pooling	(40 054)	(140 996)	148 442	56 937
Increase / decrease of loans granted to subsidiaries	1 166	(5 963)	817	7 323
Interest received on loans granted and cash-pooling	272	1 097	-	-
Interest paid under cash-pooling	(533)	(1 884)	-	-
Other	-	-	(1 072)	(490)
Net cash flows from operating activities	(41 241)	(51 897)	140 803	224 361
Cash flows from investing activities				
Disposal of tangible fixed assets and intangible assets	177	177	-	-
Purchase of tangible fixed assets and intangible assets	-	(708)	-	-
Increase in shares/capital increase in subsidiaries	-	-	(21 090)	(25 872)
Net cash flows from investing activities	177	(531)	(21 090)	(25 872)
Cash flows from financing activities				
Repayment of leasing liabilities	(17)	(31)	42	10
Repayment of loan liabilities	-	(14 347)	(4 261)	(2 133)
Interest paid	(57)	(821)	15 523	777
Dividends paid	-	(69 288)	-	(187 077)
Net cash flows from financing activities	(74)	(84 487)	(185 004)	(188 423)
Cash and cash equivalents at the beginning of the period	167 309	264 150	88 902	213 272
Change in cash and cash equivalents	(41 139)	(136 914)	(65 292)	10 065
Net FX differences	117	(946)	-	-
Cash and cash equivalents at the end of the period	126 287	126 287	23 610	223 338

Interim abbreviated standalone statement of changes in equity

Attributable to the shareholders of the Parent Entity						
	Share capital	Reserve capital	FX differences on translation of foreign operations	Other reserves	Retained earnings (Accumulated losses)	Total equity
As of 1 January 2024	69 288	443 808	2 138	138 298	184 444	837 975
Net profit for the period	-	-	-	-	99 429	99 429
Other comprehensive income (net) for the period	-	-	300	(1 467)	-	(1 167)
Total comprehensive income for the period	-	-	300	(1 467)	99 429	98 262
Financial profit distribution	-	181 928	-	-	(181 928)	-
Dividend distribution	-	-	-	-	(69 288)	(69 288)
As of 30 September 2024 (unaudited)	69 288	625 736	2 438	136 831	32 657	866 949

Attributable to the shareholders of the Parent Entity						
	Share capital	Reserve capital	FX differences on translation of foreign operations	Other reserves	Retained earnings (Accumulated losses)	Total equity
As of 1 January 2023	69 288	427 502	1 463	106 725	171 993	776 969
Net profit for the period	-	-	-	-	171 968	171 968
Other comprehensive income (net) for the period	-	-	-	(1 237)	-	(1 237)
Total comprehensive income for the period	-	-	413	(3 100)	171 968	169 281
Financial profit distribution	-	-	-	-	-	-
Dividend distribution	-	35 829	-	-	(222 906)	(187 077)
As of 30 September 2023 (unaudited)	69 288	463 331	1 876	103 625	121 055	759 173

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 13 Sales Offices providing access to all European markets, including Central and Eastern Europe. Our consolidated sales revenues for 9 months of 2024 amounted to PLN 2,624 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. They were previously owned by Trebruk AB (formerly under the name Arctic Paper AB), the parent company of Arctic Paper S.A. In addition, under the expansion, the Group acquired the Paper Mill of 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 Entity 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 Entity 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 abbreviated consolidated financial statements of the Group for 9 months of 2024 cover:

- interim abbreviated consolidated profit and loss account, statement of comprehensive income and a cash flow statement for the periods of three and nine months ended on 30 September 2024 and contain comparable data for the same periods ended on 30 September 2023;
- interim abbreviated statement of changes in equity for the period of nine months ended on 30 September 2024 and comparative data for the same period ended on 30 September 2023;
- interim abbreviated consolidated statement of financial condition as of 30 September 2024 and comparative data as of 30 June 2024, 31 December 2023 and 30 September 2023.

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 of 30 September 2024) 41,374,890 shares of our Company, which constitutes 59.71% of its share capital and corresponds to 59.71% of the total number of votes at General Meetings. Thus Nemus Holding AB is the Parent Entity of the Issuer.

Additionally, Mr Thomas Onstad, an indirect shareholder of Nemus Holding AB, holds directly 5,323,658 shares representing 7.68% 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 of 30 September 2024 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 subsidiary entities as of			
			07 November 2024	30 September 2024	08 August 2024	31 December 2023
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	United Kingdom, 8 St Thomas Street SE1 9RR London	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 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 Milano	Trading company	100%	100%	100%	100%
Arctic Paper Danmark A/S	Denmark, Korskindelund 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%

Unit	Registered office	Group Profile	Group's interest in the equity of the subsidiary entities as of			
			07 November 2024	30 September 2024	08 August 2024	31 December 2023
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	Energy production	100%	100%	100%	100%
Arctic Paper Investment GmbH *	Germany, Am Sandtorkai 72, D-20457 Hamburg	Activities of holding companies	100%	100%	100%	100%
Arctic Paper Finance AB	Sweden, Box 383, 401 26 Göteborg	Activities of holding companies	100%	100%	100%	100%
Arctic Paper Verwaltungs GmbH *	Germany, Am Sandtorkai 72, D-20457 Hamburg	Activities of holding companies	100%	100%	100%	100%
Arctic Paper Immobilienverwaltung GmbH&Co. KG*	Germany, Am Sandtorkai 72, D-20457 Hamburg	Activities of holding companies	94,90%	94,90%	94,90%	94,90%
Arctic Paper Investment AB **	Sweden, Box 383, 401 26 Göteborg	Activities of holding companies	100%	100%	100%	100%
EC Kostrzyn Sp. z o.o.	Poland, ul. Fabryczna 1, 66-470 Kostrzyn nad Odrą	Rental of properties and machines and equipment	100%	100%	100%	100%
Munkedals Kraft 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	75,65%	75,65%	75,65%	100%
Rottneros AB	Sweden, Söderhamn	Activities of holding companies	51,27%	51,27%	51,27%	51,27%
Rottneros Bruk AB	Sweden, Rottneros	Pulp production	51,27%	51,27%	51,27%	51,27%
Utansjo Bruk AB	Sweden, Söderhamn	Non-operating company	51,27%	51,27%	51,27%	51,27%
Vallviks Bruk AB	Sweden, Vallvik	Pulp production	51,27%	51,27%	51,27%	51,27%
Nykvist Skogs AB	Sweden, Gräsmark	Company grouping forest owners	51,27%	51,27%	51,27%	51,27%
Rottneros Packaging AB	Sweden, Sunne	Production of food packaging	51,27%	51,27%	51,27%	51,27%
SIA Rottneros Baltic	Latvia, Ventspils	Procurement bureau	51,27%	51,27%	51,27%	51,27%

* – companies established for the purpose of the acquisition of Arctic Paper Mochenwangen GmbH

** – the company established for the purpose of the acquisition of Grycksbo Paper Holding AB

As of 30 September 2024, 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 Entity

As of 30 September 2024, the Parent Entity'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 other changes to the composition of the Management Board of the Parent Entity.

3.2. Supervisory Board of the Parent Entity

As of 30 September 2024, the Parent Entity'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 Entity.

3.3. Audit Committee of the Parent Entity

As of 30 September 2024, the Parent Entity's Audit Committee was composed of:

- Anna Jakubowski – Chair of the Audit Committee appointed on 22 June 2021 (appointed as Member of the Audit Committee on 5 August 2021);
- Zofia Dzik – Member of the Audit Committee appointed on 22 June 2021 (appointed as Member of the Audit Committee on 5 August 2021);
- Roger Mattsson – Audit Committee Member appointed on 14 September 2014 (appointed as Audit Committee Member on 23 June 2016).

Until the date hereof, there were no changes in the composition of the Audit Committee of the Parent Entity.

4. Approval of the financial statements

These interim abbreviated consolidated financial statements were approved for publication by the Management Board on 7 November 2024.

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

These interim abbreviated consolidated financial statements were prepared in accordance with the requirements of International Accounting Standard No. 34 and 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).

These interim abbreviated 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 abbreviated 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 abbreviated 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 2023.

In connection with the term and revolving credit facility agreements signed on 2 April 2021, the Group has committed to meeting certain financial ratios, which are calculated at the end of each quarter. As of 30 September 2024, the Group has met the financial ratios required by the above-mentioned loan agreement with the consortium of financing banks (Santander Bank S.A, Bank BNP Paribas S.A. and Pekao SA).

6. Significant accounting principles (policies)

The accounting principles (policies) applied to prepare the interim abbreviated consolidated financial statements are compliant with those applied to the annual consolidated financial statements of the Group for the year ended on 31 December 2023, except for those presented below.

a) Amendment to IFRS 16 "Leases"

The amendment to IFRS 16 "Leases" supplements the requirements for the subsequent measurement of the lease liability for sale and leaseback transactions, where the criteria of IFRS 15 are met and the transaction should be accounted for as a sale.

The amendment requires the seller-lessee to subsequently measure the lease liabilities arising from a sale-leaseback in such a way that no gain or loss on retained right-of-use is recognised. The new requirement is particularly relevant where sale-leasebacks include variable lease payments that do not depend on an index or rate, as these payments are excluded from "lease payments" under IFRS 16.

b) Amendments to IAS 1 "Presentation of Financial Statements"

The amendments to IAS 1 provide clarification on the presentation of liabilities as long- and short-term and also address the classification of liabilities when an entity is required to meet certain contractual requirements known as covenants. The revised IAS 1 standard states that liabilities are classified as either short-term or long-term depending on the rights that exist at the end of the reporting period. Neither the entity's expectations nor events after the reporting date (for example, covenants in loan agreements that the entity does not have to comply with until after the balance sheet date) affect the classification.

c) Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures" – disclosure of supplier finance arrangements

Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures" introduce disclosure requirements for vendor finance arrangements (so-called reverse factoring). These amendments require specific disclosures for such contracts to enable users of financial statements to assess the impact of these contracts on liabilities and cash flows and the entity's exposure to liquidity risk. These amendments are intended to increase the transparency of disclosures on debt financing arrangements, but do not affect the recognition and measurement principles.

The Group did not decide to adopt earlier any other standards, interpretations or amendments that were issued but are not yet effective for periods commencing on 1 January 2024.

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

In these 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:

a) IAS 21 "The Effects of Changes in Foreign Exchange Rates"

In August 2023 the Board published amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates'. The changes introduced are intended to make it easier for entities to determine whether a currency is convertible into another currency and to estimate the immediate exchange rate when a currency is not convertible. In addition, the amendments to the standard introduce additional disclosures when currencies are not convertible on how the alternative exchange rate is determined.

The published amendments are effective for financial statements for periods beginning on or after 1 January 2025.

As at date of these financial statements, the modifications have not yet been approved by the European Union.

b) Changes to 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
- updates disclosures on equity instruments measured at fair value through other comprehensive income (FVOCI).

The published amendments are effective for financial statements for periods beginning on or after 1 January 2026. As at date of these financial statements, the modifications have not yet been approved by the European Union.

c) Annual Improvements to IFRSs

"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.

As at date the of these financial statements, the modifications have not yet been approved by the European Union.

d) 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. As at date the of these financial statements, the modifications have not yet been approved by the European Union.

e) 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 liability 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.

As at date the of these financial statements, the modifications have not yet been approved by the European Union.

f) 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 in a separate line item in both the statement of financial position and the income statement and statement of other comprehensive income.

By a decision of the European Union, IFRS 14 will not be endorsed.

g) 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.

The above amendments are not expected to have material impact on the Group’s financial statements

6.1. Foreign currency translation

Transactions denominated in currencies other than the functional currency of the entity are translated into the presentation currency at the FX 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 FX rate prevailing for the presentation currency as at the end of the reporting period. FX differences from translation are recognised under financial income or financial expenses 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 FX rates prevailing on the transaction date. Non-monetary foreign currency assets and liabilities recognised at fair value are translated into PLN 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 profit and loss accounts are translated using the average weighted exchange rates for the relevant reporting period. The FX 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 recognised in the profit and loss account.

Exchange differences on loans treated in compliance with IAS 21 as investments in subsidiaries are recognised in the interim abbreviated consolidated financial statements in other total comprehensive income.

The following exchange rates were used for book valuation purposes:

	As of 30 September 2024	As of 30 September 2023
USD	3,8193	4,3697
EUR	4,2791	4,6356
SEK	0,3789	0,4033
DKK	0,5739	0,6217
NOK	0,3637	0,4117
GBP	5,1241	5,3464
CHF	4,5279	4,8030

Mean FX rates for the reporting periods are as follows:

	01.01 – 30.09.2024	01.01 – 30.09.2023
USD	3,9619	4,2331
EUR	4,3063	4,5845
SEK	0,3775	0,3998
DKK	0,5773	0,6155
NOK	0,3719	0,4046
GBP	5,0584	5,2643
CHF	4,4972	4,6904

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 cellulose plants:

- the Rottneros mill (Sweden) mainly produces two types of mechanical fibre pulp: groundwood and chemothermomechanical pulp (CTMP), a production level of approximately 160,000 tonnes per year;
- 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 approximately 240,000 tonnes per year.

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 used primarily to produce printing and writing paper, cardboard, toilet paper and white packaging paper as well as chemothermomechanical pulp (CTMP), which is mainly used in the production of printing paper and writing paper.

The exclusions include the exclusions of turnover and settlements between segments and the results of operations of Arctic Paper S.A. and Arctic Paper Finance AB.

The split of operating segments into the uncoated, coated paper segments and pulp is due to the following factors:

- 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 are less dependent on the individual circumstances of the production units.

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 allowances to tangible fixed assets 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 entities.

The table below presents data concerning revenues and profit as well as certain assets and liabilities split by segments of the Group for the period of 9 months ended on 30 September 2024 and as of 30 September 2024.

9-month period ended on 30 September 2024 and on 30 September 2024

- Revenues from inter-segment transactions are eliminated on consolidation.
- The results of the segments do not cover financial income (PLN 8,724 thousand of which PLN 5,090 thousand is interest income) and financial expenses (PLN 10,107 thousand of which PLN 4,983 thousand is interest expense), depreciation/amortisation (PLN 86,751 thousand), and income tax liability (PLN -25,614 thousand).
- Segment assets do not include deferred tax (PLN 1,562 thousand), as this item is managed at Group level and interests in joint ventures (PLN 4,795 thousand). Segment liabilities do not include deferred tax (PLN 109,761 thousand), as this item is managed at Group level.

	Paper	Pulp	Total	Exclusions	Total continuing operations
Revenues					
Sales to external customers	1 837 286	786 580	2 623 866	-	2 623 866
Sales between segments	-	830	830	(830)	-
Total segment revenues	1 837 286	787 410	2 624 696	(830)	2 623 866
Result of the segment					
EBITDA	207 542	62 919	270 461	(10 697)	259 765
Depreciation/amortisation	(57 890)	(28 549)	(86 438)	(313)	(86 751)
Operating profit/(loss)	149 653	34 370	184 023	(11,010)	173 013
Interest income	2 204	700	2 904	2 185	5 090
Interest expense	(3 784)	(2 853)	(6 637)	1 654	(4 983)
FX gains and other financial income	-	1 045	1 045	-	1 045
FX losses and other financial expenses	(168 238)	(2 961)	(171 199)	168 286	(2 912)
Gross profit	(20 165)	30 679	10 514	161 116	171 630
Assets of the segment	1 804 678	1 068 253	2 872 930	(155 842)	2 717 089
Liabilities of the segment	705 365	359 290	1 064 655	(233 742)	830 913
Capital expenditures	(96 893)	(82 286)	(179 180)	(707)	(179 887)
Interests in joint ventures	4 795	-	4 795	-	4 795

The table below presents data concerning revenues and profit as well as certain assets and liabilities split by segments of the Group for the period of 3 months ended on 30 September 2024 and as of 30 September 2024.

3-month period ended on 30 September 2024 and on 30 September 2024

	Paper	Pulp	Total	Exclusions	Total continuing operations
Revenues					
Sales to external customers	562 372	256 909	819 282	-	819 282
Sales between segments	-	-	-	-	-
Total segment revenues	562 372	256 079	818 282	-	819 282
Result of the segment					
EBITDA	49 096	31 054	80 150	(2,805)	77 346
Depreciation/amortisation	(20 968)	(8 736)	(29 705)	(111)	(29 816)
Operating profit/(loss)	19 763	22 318	50 446	(3 293)	46 411
Interest income	591	(58)	532	1 453	1 985
Interest expense	(1 227)	1 318	91	613	704
FX gains and other financial income	-	-	-	-	-
FX losses and other financial expenses	118	(5 022)	(2 843)	(1 063)	(8 928)
Gross profit	27 243	15 973	43 581	(2 290)	40 549
Assets of the segment	1 804	1 068 253	2 872 930	(155 842)	2 717 089
Liabilities of the segment	705 365	359 290	1 064 655	(233 742)	830 913
Capital expenditures	(96 893)	(82 286)	(179 180)	(707)	(179 887)
Interests in joint ventures	4 795	-	4 795	-	4 795

- Revenues from inter-segment transactions are eliminated on consolidation.
- The results of the segments do not cover financial income (PLN -3,683 thousand of which PLN 1,985 thousand is interest income) and financial expenses (PLN 18,647 thousand of which PLN 704 thousand is interest expense), depreciation/amortisation (PLN 29,816 thousand), and income tax liability (PLN 3,602 thousand).
- Segment assets do not include deferred tax (PLN 1,562 thousand), as this item is managed at Group level and interests in joint ventures (PLN 4,795 thousand). Segment liabilities do not include deferred tax (PLN 109,761 thousand), as this item is managed at Group level.

The table below presents data concerning revenues and profit as well as certain assets and liabilities split by segments of the Group for the period of 9 months ended on 30 September 2023 and as of 31 December 2023.

9-month period ended on 30 September 2023 and on 31 December 2023

	Paper	Pulp	Total	Exclusions	Total continuing operations
Revenues					
Sales to external customers	1 879 270	843 995	2 723 265	-	2 723 265
Sales between segments	832	2 820	3 652	(3 652)	-
Total segment revenues	1 880 102	846 815	2 726 917	(3 652)	2 723 265
Result of the segment					
EBITDA	260 788	126 342	387 131	(8 148)	378 983
Depreciation/amortisation	(60 836)	(27 936)	(88 772)	(216)	(88 988)
Operating profit/(loss)	199 952	98 407	298 359	(8 364)	289 995
Interest income	2 728	3 598	6 327	(325)	6 002
Interest expense	(3 181)	(3 199)	(6 380)	1 335	(5 045)
FX gains and other financial income	3 686	5 198	8 883	(5 960)	2 924
FX losses and other financial expenses	(3 594)	(2 799)	(6 393)	2 201	(4 192)
Gross profit	199 591	101 205	300 796	(11 112)	289 684
Assets of the segment	1 746 061	1 159 539	2 905 599	(176 680)	2 728 919
Liabilities of the segment	721 818	(43 536)	(121 411)	2 662	(118 749)
Capital expenditures	(77 876)	(20 995)	(69 010)	(564)	(69 574)
Interests in joint ventures	4 276	-	4 276	-	4 276

- Revenues from inter-segment transactions are eliminated on consolidation.
- The results of the segments do not cover financial income (PLN 8,926 thousand of which PLN 6,002 thousand is interest income) and financial expenses (PLN 9,237 thousand of which PLN 5,045 thousand is interest expense), depreciation/amortisation (PLN 88,988 thousand), and income tax liability (PLN -52,904 thousand).
- Segment assets do not include deferred tax (PLN 4,104 thousand), as this item is managed at Group level and interests in joint ventures (PLN 4,276 thousand). Segment liabilities do not include deferred tax (PLN 111,132 thousand), as this item is managed at Group level.

The table below presents data concerning revenues and profit as well as certain assets and liabilities split by segments of the Group for the period of 3 months ended on 30 September 2023 and as of 30 September 2023.

3-month period ended on 30 September 2023 and on 31 December 2023

	Paper	Pulp	Total	Exclusions	Total continuing operations
Revenues					
Sales to external customers	590 318	264 488	854 806	-	854 806
Sales between segments	283	(63)	221	(221)	-
Total segment revenues	590 601	264 425	855 026	(221)	854 806
Result of the segment					
EBITDA	97 321	29 891	127 211	(2 695)	124 517
Depreciation/amortisation	(20 369)	(9 035)	(29 404)	(78)	(29 482)
Operating profit/(loss)	76 952	20 856	97 808	(2 773)	95 035
Interest income	816	1 146	1 962	(274)	1 688
Interest expense	(917)	(1 155)	(2 072)	307	(1 765)
FX gains and other financial income	(4 204)	(524)	(4 728)	(3 245)	(7 973)
FX losses and other financial expenses	(2 957)	(2 799)	(5 756)	2 633	(3 123)
Gross profit/(loss)	69 690	17 524	87 214	(3 352)	83 862
Assets of the segment	1 746 061	1 159 539	2 905 599	(176 680)	2 728 919
Liabilities of the segment	721 818	312 154	1 033 972	(202 647)	831 325
Capital expenditures	(29 861)	(22 541)	(52 402)	3 226	(49 176)
Interests in joint ventures	4 276	-	4 276	-	4 276

- Revenues from inter-segment transactions are eliminated on consolidation.
- The results of the segments do not cover financial income (PLN -6,284 thousand of which PLN 1,688 thousand is interest income) and financial expenses (PLN 4,889 thousand of which PLN 1,765 thousand is interest expense), depreciation/amortisation (PLN 29,482 thousand), and income tax liability (PLN -25,635 thousand).
- Segment assets do not include deferred tax (PLN 4,104 thousand), as this item is managed at Group level and interests in joint ventures (PLN 4,276 thousand). Segment liabilities do not include deferred tax (PLN 111,132 thousand), as this item is managed at Group level.

9. Dividends proposed for payment and paid

9.1. Dividends proposed for payment and paid by Arctic Paper S.A.

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

In accordance with the requirements of the Code of Commercial Partnerships and Companies, the parent company is required to create a capital reserve to cover losses. At least 8 per cent of the profit for the year as shown in the parent company's unconsolidated accounts is transferred to this category of capital until this capital reaches at least one-third of the parent company's share capital. The General Meeting decides on the use of supplementary and reserve capital, however, a part of the supplementary capital amounting to one third of the share capital may only be used to cover the loss shown in the separate financial statements of the parent company and is not subject to distribution for 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 2023.

In connection with the term and revolving loan agreements signed on 2 April 2021, 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).

In 2023, the Company paid a total dividend of PLN 187,077,014.10, i.e. PLN 2.70 gross per share.

On 29 May 2024, the Ordinary General Meeting of the Company, after reviewing the Management Board's proposal on the payment of dividends, allocated part of the Company's net profit for the financial year 2023, in the amount of PLN 69,287,783.00 (in words: sixty-nine million two hundred and eighty-seven thousand seven hundred and eighty-three zloty 00/100) for the payment of dividends to the Company's shareholders. The dividend per share amounted to PLN 1.00 gross (in words: one zloty). The Company's Annual General Meeting determined 12 June 2024 as the ex-dividend date and 18 June 2024 as the dividend distribution date. The dividend was paid on time.

10. 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 September 2024 (unaudited)	9-month period ended on 30 September 2024 (unaudited)	3-month period ended on 30 September 2023 (unaudited)	9-month period ended on 30 September 2023 (unaudited)
Net profit/(loss) period from continuing operations attributable to the shareholders of the Parent Entity	30 781	131 196	51 516	199 142
Net profit/(loss) attributable to the shareholders of the Parent Entity	30 781	131 196	51 516	199 142
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 Entity	0,44	1,89	0,74	2,87
Diluted profit/(loss) per share (in PLN)				
– from the profit/(loss) for the period attributable to the shareholders of the Parent Entity	0,44	1,89	0,74	2,87

11. Interest-bearing bank loans and borrowings

In the period covered by this report, the Group increased its debt under the investment loan in the amount of PLN 9,770 thousand and under the revolving loan in the amount of PLN 82,180 thousand, made a partial repayment of the term loan in the amount of PLN 14,347 thousand resulting from the loan agreement concluded on 2 April 2021 with a syndicate of banks, and made a partial repayment of the loan with Nordea Bank in the amount of PLN 17,808 thousand and with Danske Bank in the amount of PLN 9,473 thousand (net).

The other changes to loans and borrowings as of 30 September 2024, compared to 31 December 2023 result mainly from balance sheet evaluation and payment of interest accrued as of 31 December 2023 and paid in the first 9 months of 2024.

12. Share capital

There were no changes in share capital as of 30 September 2024 compared to 31 December 2023.

13. Financial instruments

The Group uses the following financial instruments: cash on hand and in bank accounts, term deposits, loans, receivables, payables, leasing contracts and interest SWAP contracts, forward contracts for the sale of pulp and forward contracts for the purchase of electricity.

At 30 September 2024, the Company held the following financial instruments: cash on hand and in bank accounts, loans, receivables, payables, including leases, and interest SWAP contracts, as well as forward power purchase contracts.

14. Contingent liabilities and contingent assets

As of 30 September 2024, the Capital Group reported:

- a contingent liability of Arctic Paper Munkedals AB related to a surety for the obligations of Kalltorp Kraft HB in the amount of SEK 434 thousand (PLN 164 thousand);
- a bank guarantee in favour of Skatteverket Ludvika for SEK 135 thousand (PLN 51 thousand).

15. Legal claims

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

16. Material events after the end of the reporting period

After 30 September 2024, until the date hereof there were no other material events requiring disclosure in this report with the exception of those events that were disclosed in this report in paragraphs above.

Signatures of the Members of the Management Board

Position	First and last name	Date	Signature
President of the Management Board Chief Executive Officer	Michał Jarczyński	07 November 2024	signed with a qualified electronic signature
Member of the Management Board Chief Financial Officer	Katarzyna Wojtkowiak	07 November 2024	signed with a qualified electronic signature
Member of the Management Board Vice-President for Sales and Marketing	Fabian Langenskiöld	07 November 2024	signed with a qualified electronic signature

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