



Preliminary financial results

Q4 2023



ARCTIC PAPER

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**THIS PRESENTATION
CONTAINS
PRELIMINARY
FINANCIAL
RESULTS FOR Q4 2023.**

Agenda

1 Paper

2 Pulp

3 Packaging

4 Energy

5 Financial performance

6 Focus

SUMMARY PRELIMINARY Q4 2023

Arctic Paper Group Q4 2023 vs. Q4 2022

Net sales
(PLN mn)

825.9
(Q4 2023) / **1 085.1**
(Q4 2022)

EBITDA
(PLN mn)

96.3
(Q4 2023) / **140.0**
(Q4 2022)

Operating CF
(PLN mn)

128.1
(Q4 2023) / **126.0**
(Q4 2022)

ROCE*

17.3%
(Q4 2023) / **34.4%**
(Q4 2022)

Paper/Pulp EBITDA
(PLN mn)

120/-24
(Q4 2023) / **122/18**
(Q4 2022)

Net debt/EBITDA*

-0.73x
(EOP Q4 2023) / **-0.28x**
(EOP Q4 2022)

Paper sales
volume

113k t
(Q4 2023) / **117k t**
(Q4 2022)

Pulp sales
volume

85k t
(Q4 2023) / **87k t**
(Q4 2022)

* last 12 months

SUMMARY PRELIMINARY YTD DEC 2023

Arctic Paper Group YTD DEC 2023 vs. YTD DEC 2022

Net sales
(PLN mn)

3 549.2
(YTD DEC 2023) / **4 894.3**
(YTD DEC 2022)

EBITDA
(PLN mn)

475.3
(YTD DEC 2023) / **974.0**
(YTD DEC 2022)

Operating CF
(PLN mn)

473.3
(YTD DEC 2023) / **607.4**
(YTD DEC 2022)

ROCE*

17.3%
(YTD DEC 2023) / **34.4%**
(YTD DEC 2022)

Paper/Pulp EBITDA
(PLN mn)

376/99
(YTD DEC 2023) / **685/289**
(YTD DEC 2022)

Net debt/EBITDA*

-0.73x
(EOP DEC 2023) / **- 0.28x**
(EOP DEC 2022)

Paper sales
volume

432k t
(YTD DEC 2023) / **616k t**
(YTD DEC 2022)

Pulp sales
volume

357k t
(YTD DEC 2023) / **388k t**
(YTD DEC 2022)

* last 12 months



PAPER

MARKET DATA

Fine paper average market prices

DEC 2023 COMPARED TO SEP 2023

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

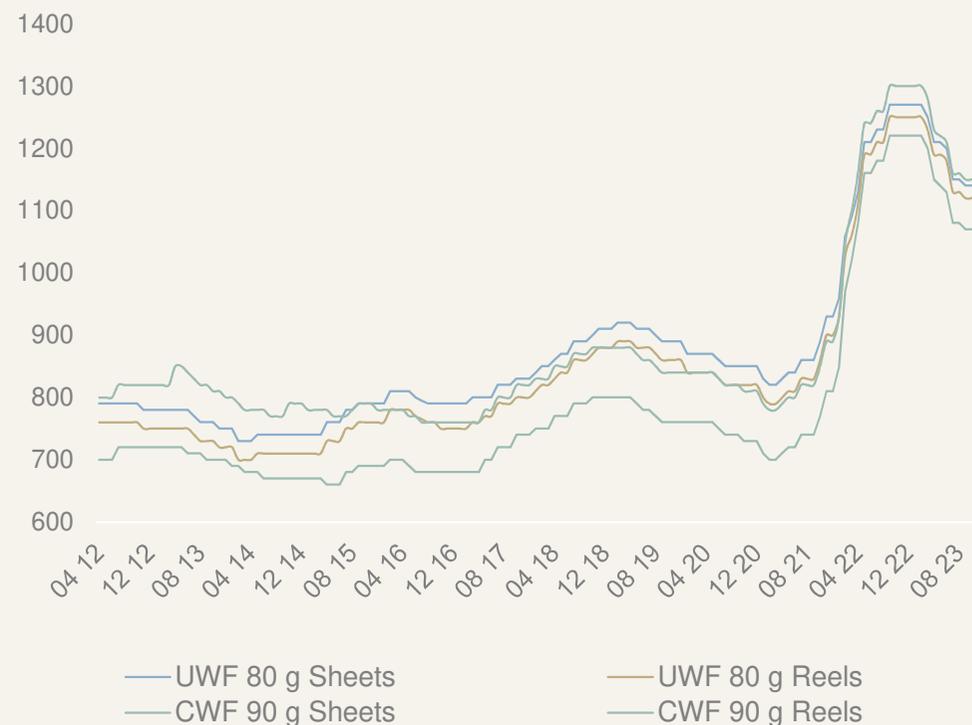
CWF average price change **0,0%**

DEC 2023 COMPARED TO DEC 2022

UWF average price change **- 9,8%**

CWF average price change **-12,2%**

GRAPHIC FINE PAPER PRICES – GERMAN MARKET



Source: Arctic Paper based on RISI data.

OPERATING DATA

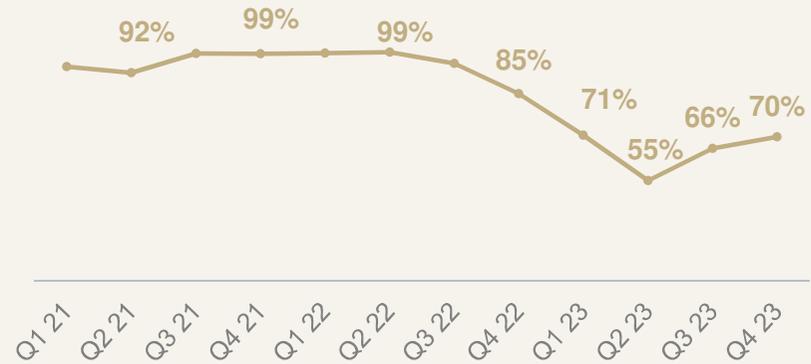
Average Q4 2023 use of production capacity: **70%**

4% HIGHER THAN IN Q3 2023
15% LESS THAN IN Q4 2022

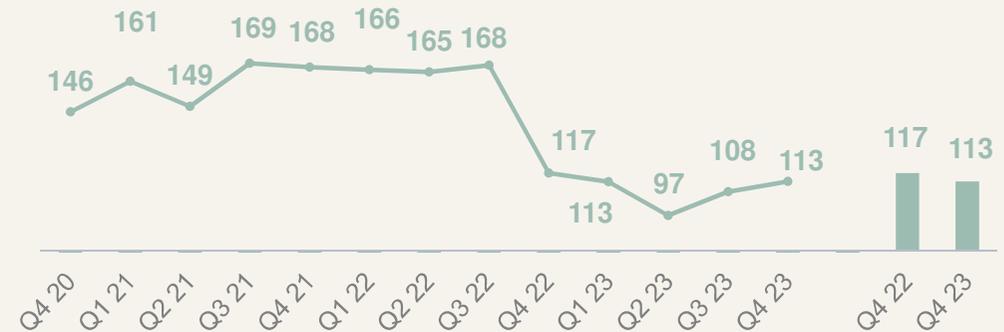
Q4 2023 total sales volume: **113k tons**

4,5% HIGHER THAN IN Q3 2023
3,5% LESS THAN IN Q4 2022

PRODUCTION CAPACITY FOR ARCTIC PAPER MILLS



PAPER SALES VOLUME



OPERATING DATA

Total revenue Q4 2023 (PLN 581mn)

DECREASED BY 1,5% COMPARED TO Q3 2023

Average price Q4 2023 (PLN 5.14k)

DECREASED BY 6% COMPARED TO AVERAGE IN Q3 2023

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

PAPER SALES REVENUE (PLN mn)



PAPER SALES REVENUE PER TONNE (PLN k)*



PRODUCTS

AMBER

ADVANCED OFFSET
PRODUCTION
IN HEART OF EUROPE



MOST COMPLETE MATT
COATED PAPER ASSORTMENT



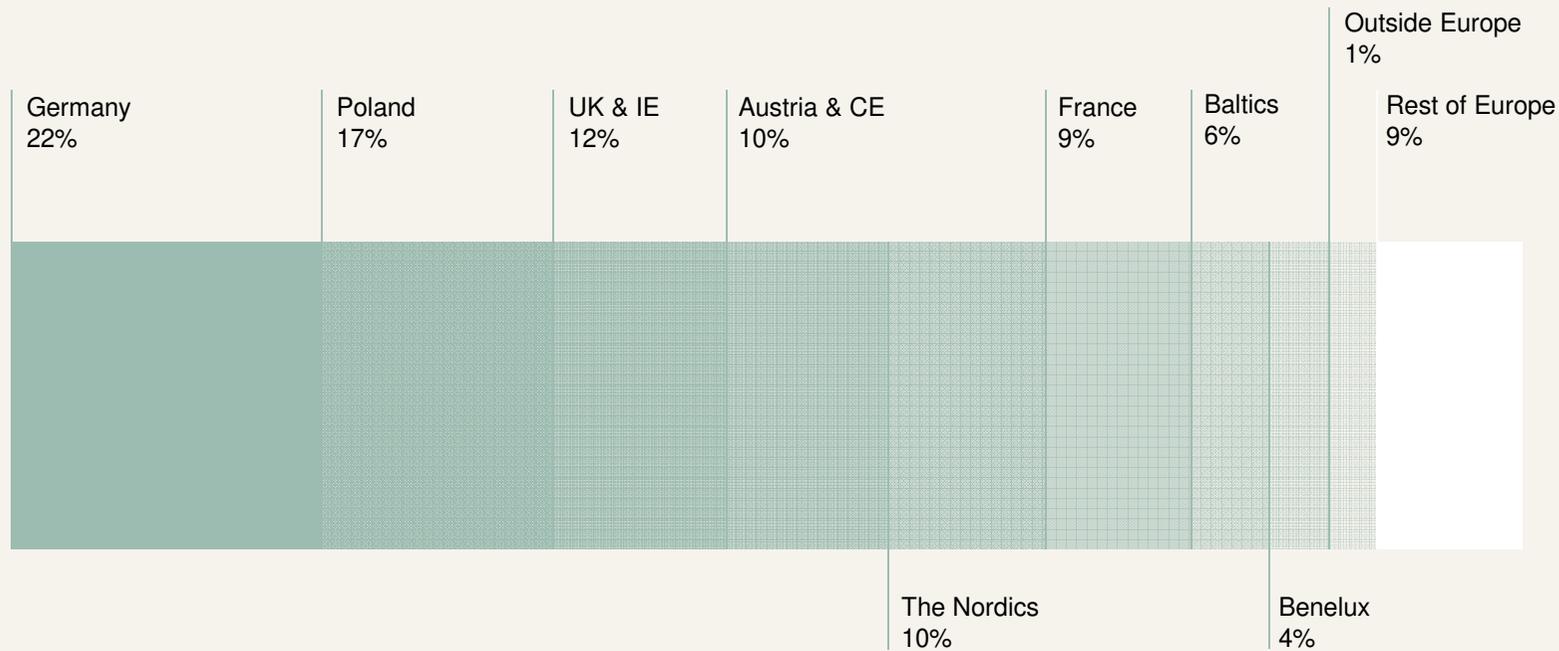
MUNKEN

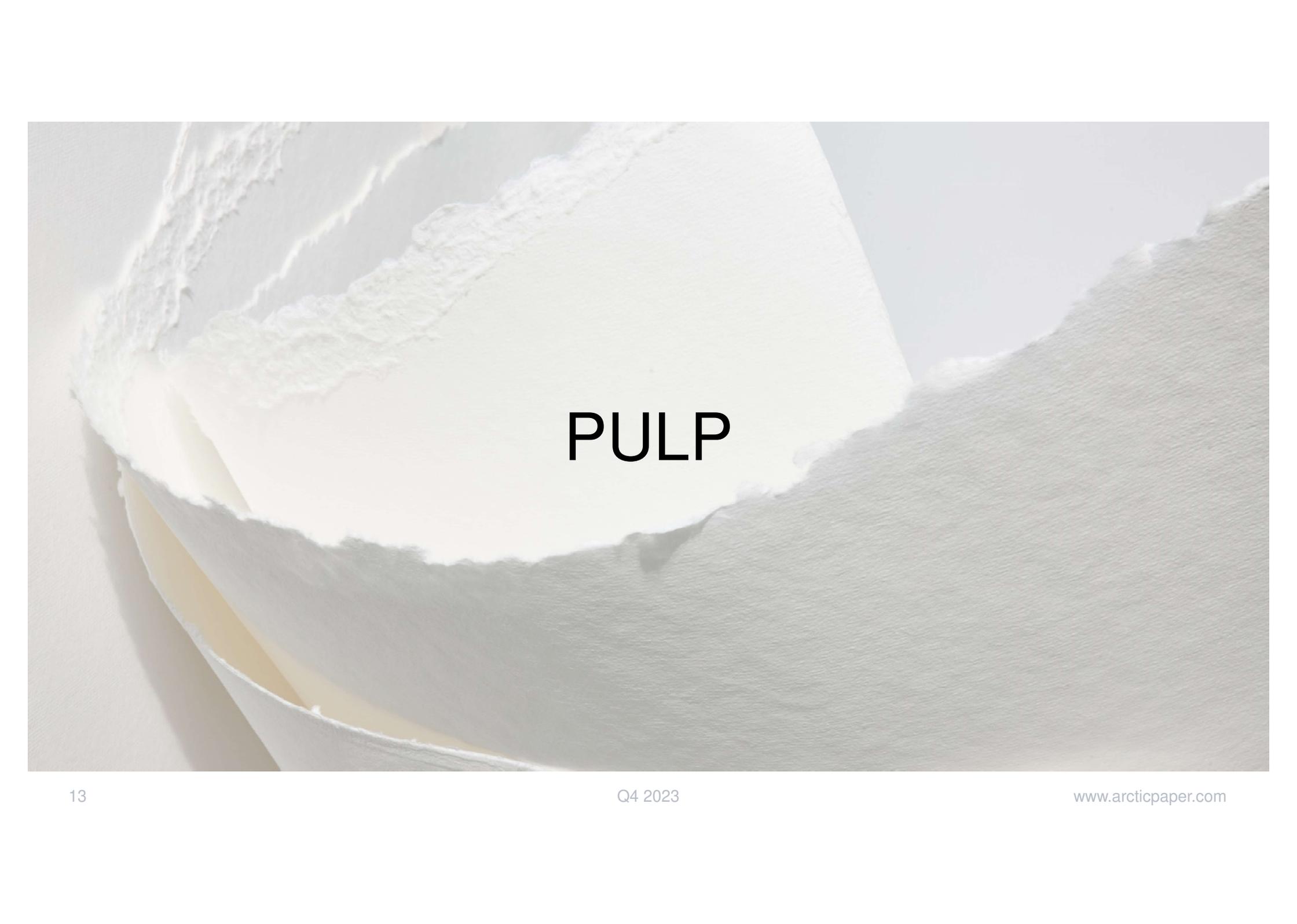
BIGGEST UNCOATED
DESIGN BRAND

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

PRODUCTS

Geographical split of sales





PULP

MARKET DATA

Pulp – European pulp prices

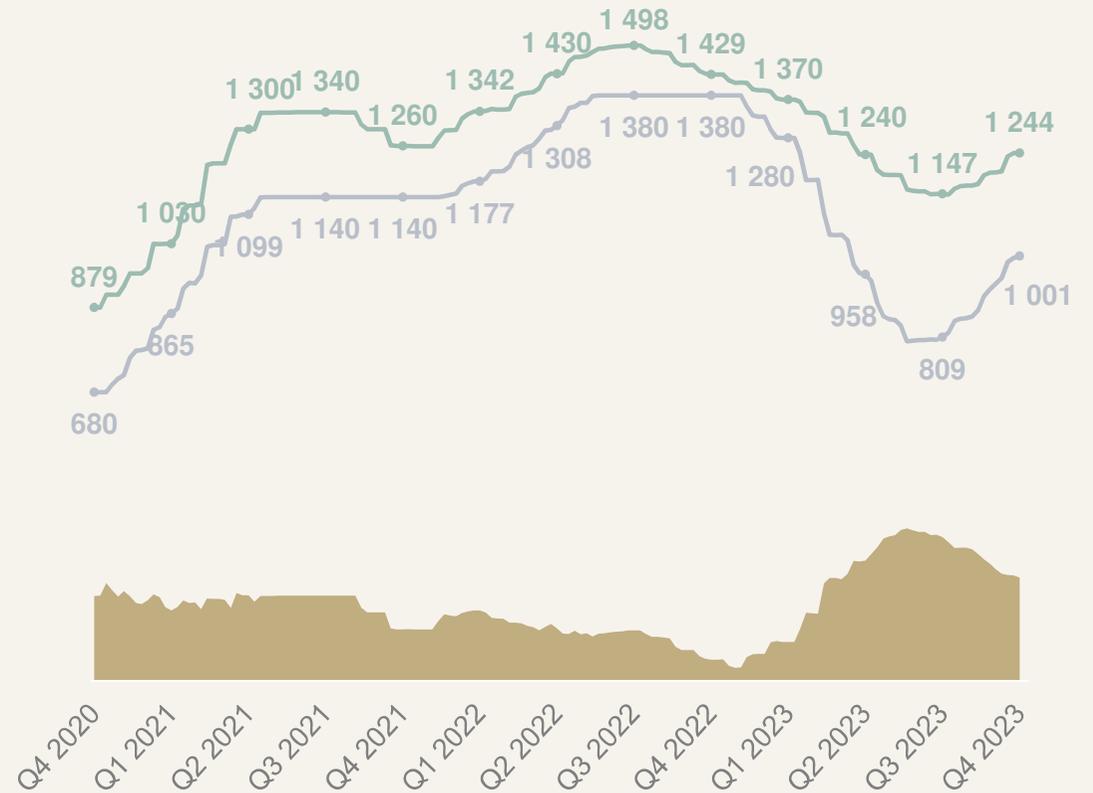
AVERAGE PRICE Q4 2023 COMPARED TO Q4 2022

NBSK (long fiber): **8% lower**
 BHKP (short fiber): **34% lower**

AVERAGE PRICE Q4 2023 COMPARED TO Q3 2023

NBSK (long fiber): **1% higher**
 BHKP (short fiber): **9% higher**

PULP PIX INDEXES EUROPE (USD PER TONNE)



Source: Arctic Paper based on Foex data

OPERATING DATA

Pulp production & deliveries

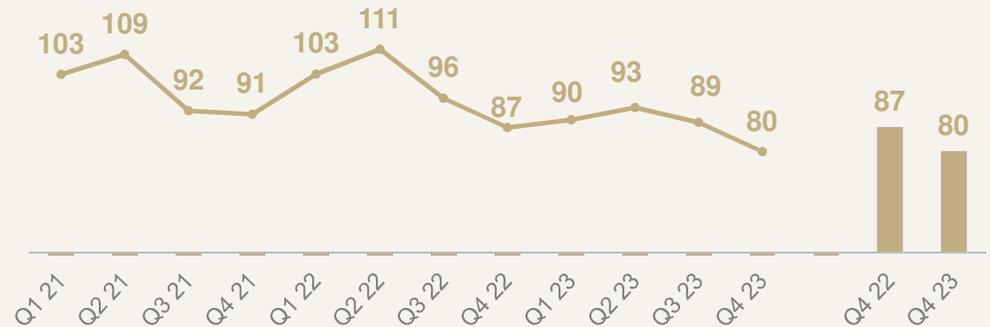
Q4 2023 total production: **80k tons**

10% LOWER THAN IN Q3 2023
8% LOWER THAN IN Q4 2022

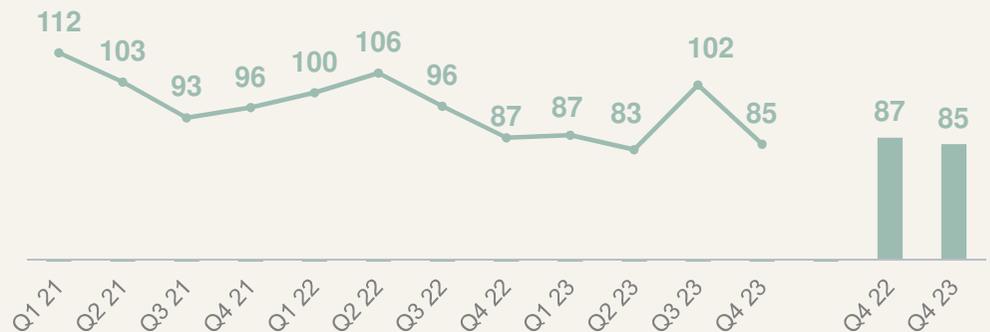
Q4 2023 total deliveries: **85k tons**

17% LOWER THAN IN Q3 2023
2% LOWER THAN IN Q4 2022

PULP PRODUCTION (1,000 TONNE)



PULP DELIVERIES (1,000 TONNE)



OPERATING DATA

Revenue and prices

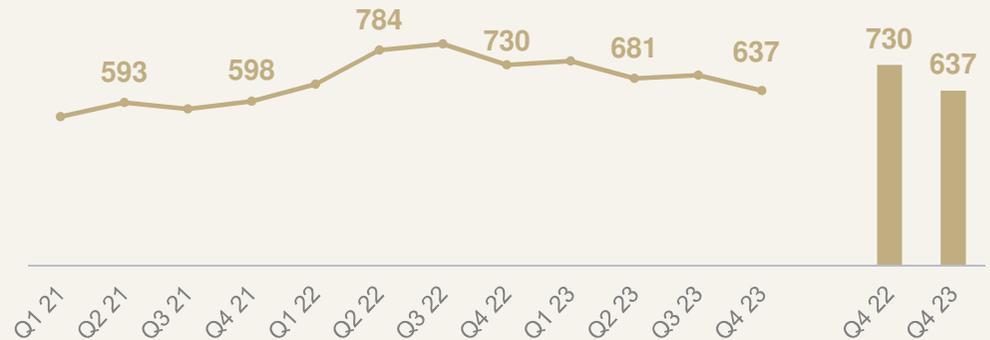
Total revenue Q4 2023 (**SEK 637mn**)

DECREASED BY 13% COMPARED TO Q4 2022

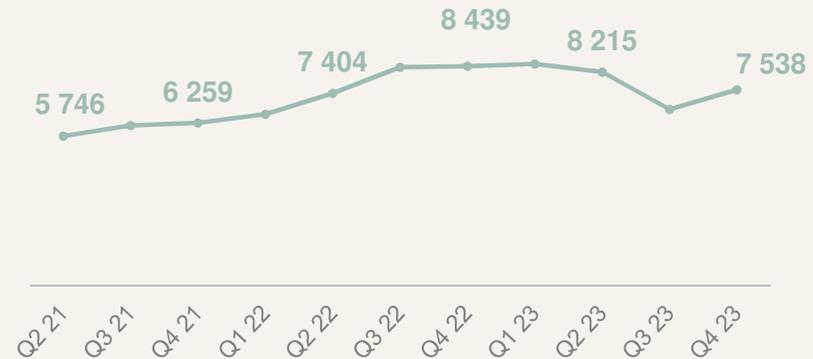
Average price in Q4 2023 (**SEK 7.5k per tonne**)

DECREASED BY 11% COMPARED TO Q4 2022

PULP SALES REVENUE (SEK mn)

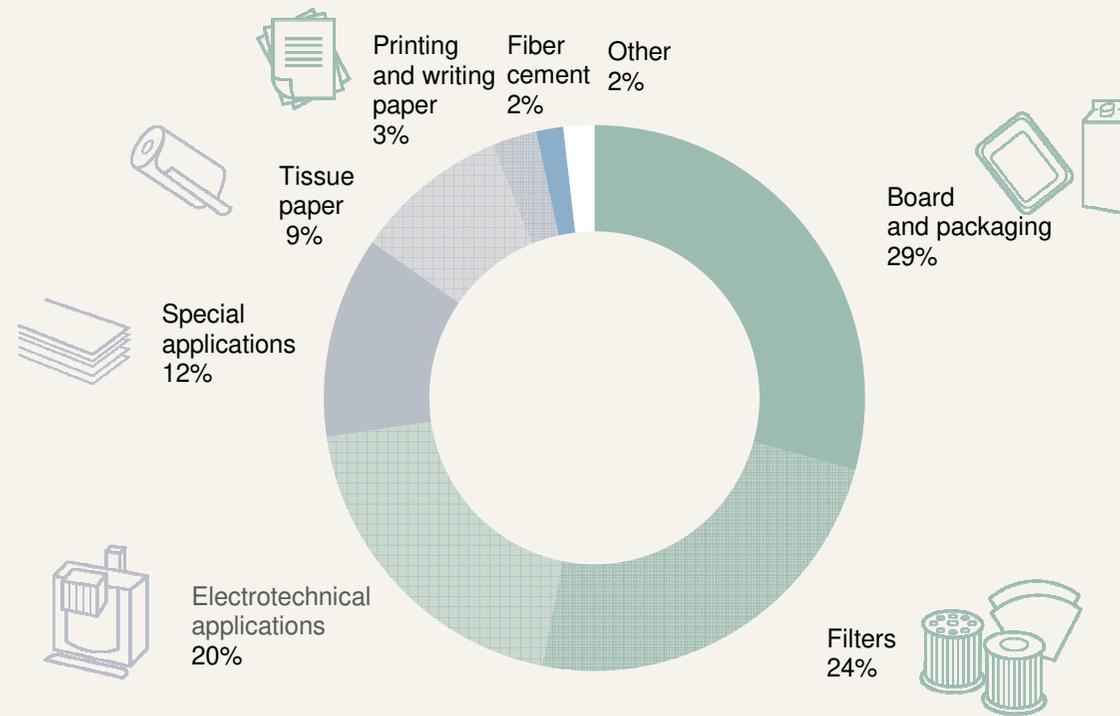


PULP SALES REVENUE PER TONNE (SEK)



PULP – REPLACEMENT MATERIAL FOR PLASTIC

Pulp Sales (Rottneros) by application 2023





PACKAGING

DEVELOPMENT

PACKAGING PAPERS:

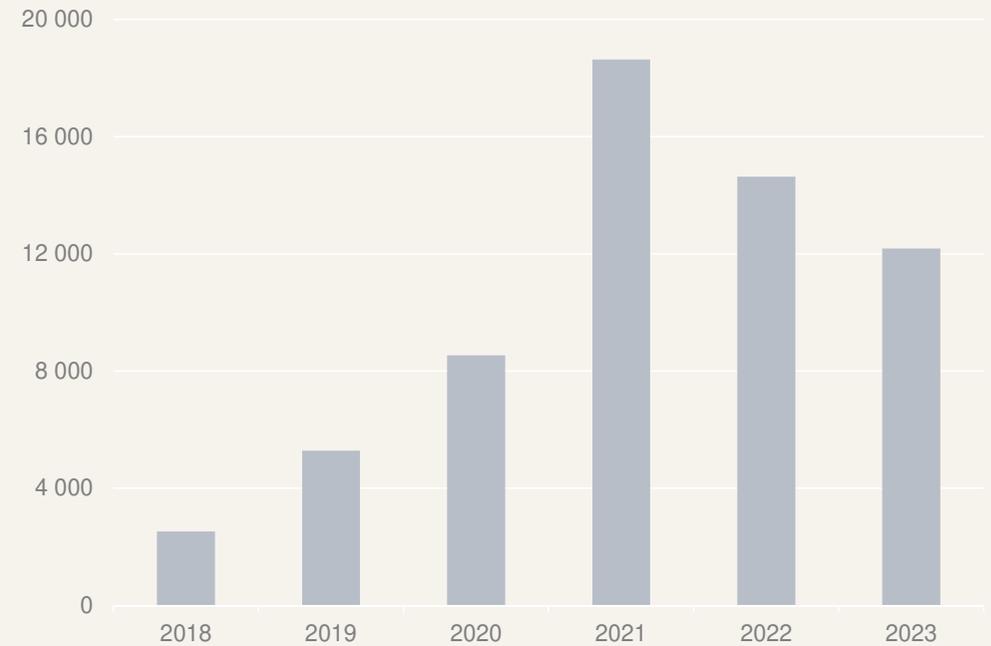
Munken Kraft

Uncoated packaging paper

G-Flexmatt

Coated packaging paper

PACKAGING PAPER SALES DEVELOPMENT (t)



POWER

ARCTIC PAPER GROUP POWER PROJECTS

MUNKEDAL

- Hydro power plant
- Flexible multifuel boiler plant
- LNG power plant
- Swedish national grid

GRYCKSBO

- Biomass power plant
- Swedish national grid

KOSTRZYN

- Local natural gas power plant
- Solar park
- Plus supply to Polish national grid



KOSTRZYN SOLAR FARM

- 17 MW
- Start up June 2024
- Next phase under preparation 2025



The background of the slide is a photograph of a paper mill, showing large rolls of paper and machinery. A large, semi-transparent grey diagonal shape is overlaid on the right side of the image. The text 'FINANCIAL PERFORMANCE' is centered over the image in a bold, black, sans-serif font.

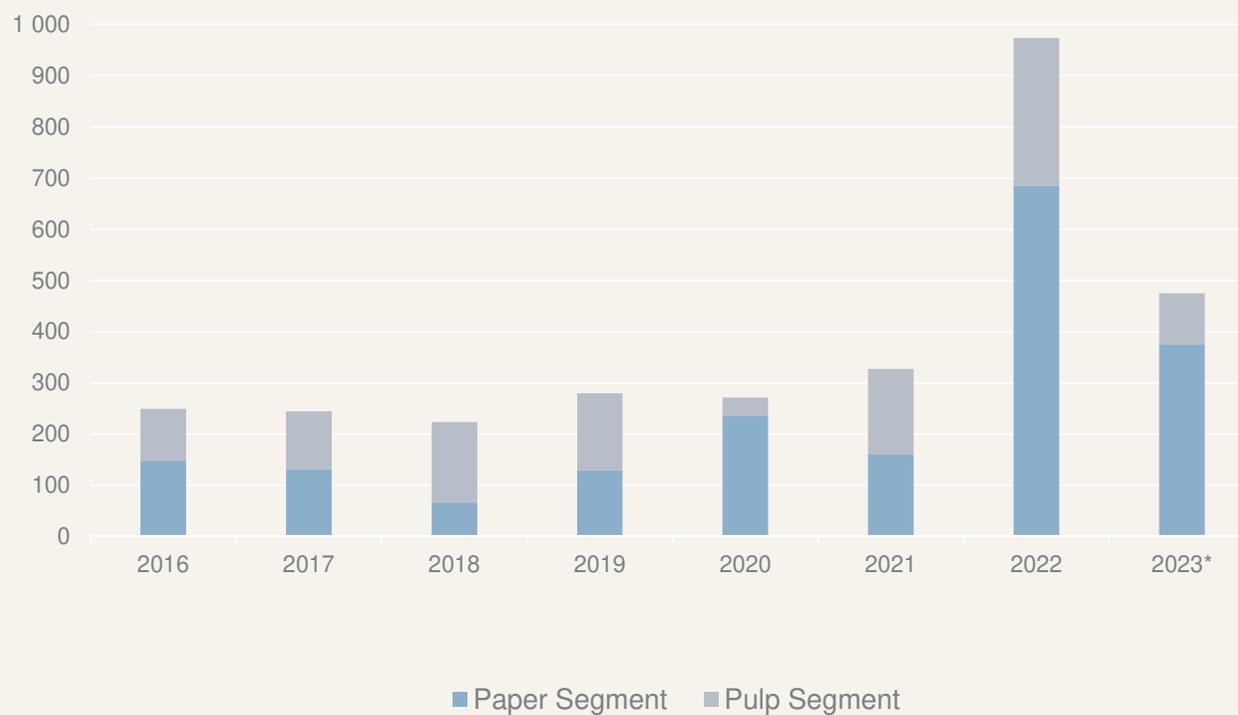
FINANCIAL PERFORMANCE

EBITDA EVOLUTION 2016 – 2023 (PLN mn)

Effective hedging of both segments – to stabilize financial results

Q4 2023 EBITDA PLN 96.3mn

PLN 44mn LOWER THAN Q4 2022
PLN 28mn LOWER THAN Q3 2023



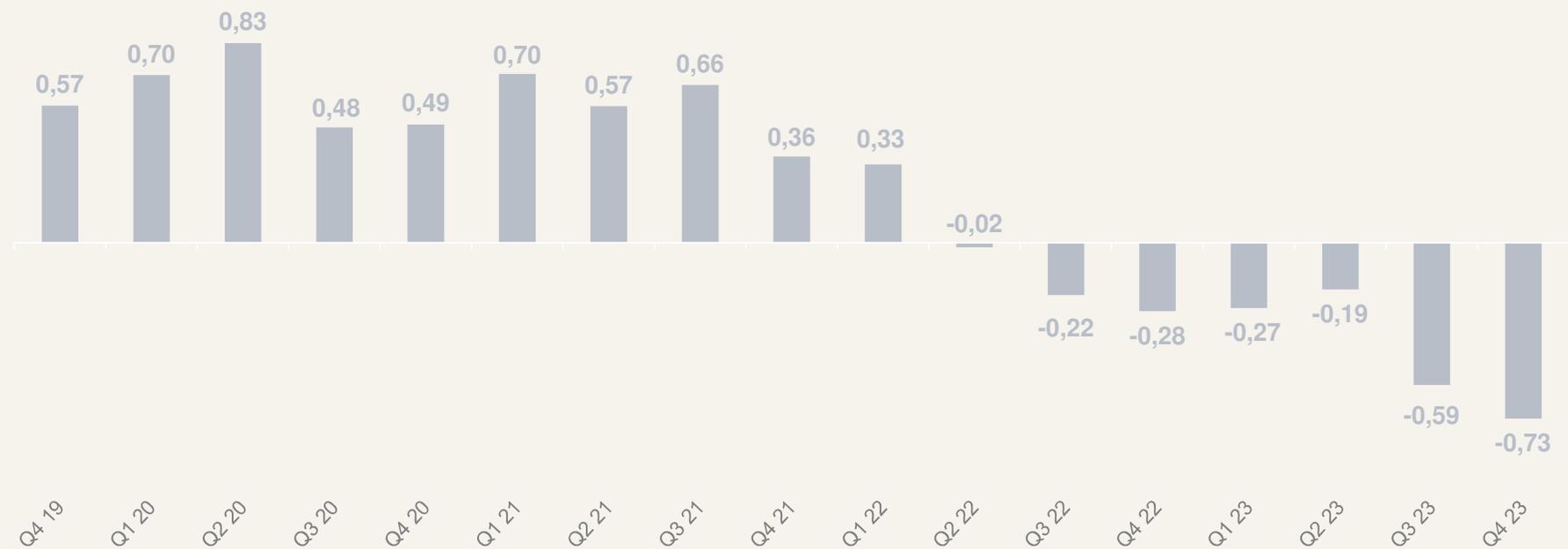
* rolling 12 months

EBITDA MARGIN BY SEGMENT

2015 – 2023

	2015	2016	2017	2018	2019	2020	2021	2022	2023
paper margin	3%	7%	6%	3%	6%	12%	7%	19%	15%
pulp margin	19%	13%	13%	17%	15%	5%	16%	22%	10%
group margin	7%	8%	8%	7%	9%	10%	10%	20%	13%

NET DEBT/EBITDA 2019 – 2023



* rolling 12 months



FOCUS

-
- Uncertain macroeconomic environment
 - Optimizing between margins and capacity utilisation
 - Continue on energy projects



SHARING OUR STORY WITH YOU

HEDGED AGAINST
VOLATILITY
OF PROFITABILITY
& HIGH FLUCTUATION
OF ENERGY

GROWTH
IN PACKAGING

INCREASING SHARE
OF RENEWABLE AND
FOSSIL-FREE ENERGY

PREDICTABLE CAPEX
AIMED AT CONTINUED
IMPROVEMENTS

OWNER
OF BRANDS VALUED
BY CUSTOMERS

ESTABLISHED
POSITION ON THE
MARKET WITH
A HIGH ENTRY
BARRIER

STABLE
OWNERSHIP
STRUCTURE

SUSTAINABLE
PRODUCTION
PROCESSES

4P For Future Arctic

Paper



Packaging



Pulp



Power



Thank you



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