



PRESS RELEASE

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Arctic Paper to develop high barrier biodegradable paper with co-financing of NCBiR

Arctic Paper Kostrzyn S.A., a subsidiary of the Arctic Paper S.A., has signed a contract with Poland's National Centre for Research and Development (NCBiR) for co-financing of the project "Development and implementation of technology for production of high-barrier biodegradable packaging paper" as part of the Smart Growth Operational Programme 2014–2020. The total net value of the project is over PLN 20 million, and the maximum value of the co-financing is about PLN 8.3 million.

The aim of the project is to develop and implement technology for manufacturing of a new product: high-barrier, biodegradable, antibacterial, antifungal packaging paper.

This manufacturing innovation will introduce products into the packaging paper segment featuring high barrier properties and biodegradability, while maintaining high printing quality. This is particularly important in times of pandemic.

The main customers for the results of the project will be manufacturers of packaging. The barrier papers could be used for production of such items as:

- ✓ Packaging for direct contact with foods
- ✓ Bags for baked goods, sandwiches, and fast food
- ✓ Packaging for the catering industry
- ✓ Packaging and flyers for the pharmaceutical industry.

Michał Jarczyński, CEO of Arctic Paper S.A., commented: *"The launch of another innovative project, with the financial support of NCBiR, is a major step in the direction of increased competitiveness and flexibility of production at our paper mills, but first and foremost is our company's response to the changing needs of the market and consumers' expectations. Development and implementation of this new manufacturing technology will allow us to expand the range of products we offer to include packaging papers that have special barrier qualities but are also biodegradable. We take care to ensure that our newly developed products not only offer the unique characteristics sought by customers, but are also environment-friendly, which is consistent with the culture of sustainable growth that is an important element of the identity of the Arctic Paper Group."*

Arctic Paper Kostrzyn is the largest of the three paper mills in the Arctic Paper Group. After completion of capital expenditures last year, the plant in Kostrzyn nad Odrą increased its annual production capacity to 315,000 tonnes. The paper mill produces primarily top-quality uncoated wood-free general-purpose papers for such uses as printing of books, brochures and forms and for manufacturing envelopes and other stationery items. Since 2019, packaging papers under the Munken Kraft brand, designed for the packaging industry, have also been produced at the Kostrzyn plant.

Further information provided by:

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Arctic Paper S.A. is one of the leading producers of high-quality graphical fine paper in Europe and consists of three paper mills and four eco-friendly strong brands: Amber, Arctic, Munken and G. Most of the products are sold through the company's 14 sales offices in Europe. The Group is the main owner of the listed Swedish pulp producer Rottneros AB. Arctic Paper S.A. is listed on the Warsaw Stock Exchange and NASDAQ in Stockholm. For more information, visit arcticpaper.com