

Risk Factors Comparison 2025-02-24 to 2024-02-20 Form: 10-K

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Our business, financial condition, results of operations and liquidity are subject to various risks and uncertainties, including those described below, and as a result, the trading price of our common stock could decline. **You should read the following risk factors carefully in connection with evaluating the Company's business and the forward-looking information contained in this Annual Report. Any of the following risks and uncertainties could materially and adversely affect our business, financial condition, or operating results. While the Company believes it has identified and discussed below the key risk factors affecting our business, there may be additional risks and uncertainties that the Company does not presently know or that does not currently believe to be significant that may adversely affect our business, financial condition or operating results in the future.**

TRANSACTION RISK FACTORS ~~The expansion of our business through the acquisition of the Augusta Facility because of integration difficulties and associated business may not be completed or other challenges proceed as anticipated.~~ Our long-term growth strategy involves strengthening our position as a premier, independent supplier of paperboard products to North American converters. On ~~February 19~~ **May 1**, 2024, we ~~announced our entry into an agreement to purchase of~~ **completed the** ~~acquisition of the Mill Augusta Facility because of integration difficulties or other challenges.~~ **announced our entry into an agreement to purchase of** ~~the Mill Augusta Facility")~~ **from** ~~owned by~~ **owned by** Graphic Packaging International, LLC. The completion of the acquisition entails many risks, including that one or more closing conditions to the transaction, including certain regulatory approvals, may not be satisfied or waived, on a timely basis or otherwise; the proposed transaction may not be completed in the time frame expected by us, or at all; unexpected costs, charges or expenses resulting from the proposed transaction; and stockholder litigation in connection with the proposed transaction or other settlements or investigations may affect the timing or occurrence of the proposed transaction or result in significant costs of defense, indemnification and liability. ~~We may not realize the expected benefits of the acquisition of the Mill Augusta Facility because of integration difficulties or other challenges.~~ **We may not realize the expected benefits of the acquisition of the Mill Augusta Facility because of integration difficulties or other challenges.** We may not be able to maintain the levels of revenue, earnings or operating efficiency that we estimate for the ~~Mill Augusta Facility~~ **Mill Augusta Facility**. In addition, the success of the acquisition will depend, in part, on our ability to realize the anticipated benefits from the acquisition, including anticipated revenue, customer growth and cost structure and production scale benefits. The integration process **has been and will continue to** be complex, costly and time-consuming. The potential risks associated with our efforts to integrate the ~~Mill Augusta Facility~~ **Mill Augusta Facility** operations and business include, among others:

- failure to implement effectively our business plan for the addition of the operations and business into our existing systems;
- unanticipated issues in integrating financial, manufacturing, logistics, information, **information technology**, communications and other systems;
- failure to retain key employees;
- failure to retain key customers;
- **increased working capital needs, which could require additional debt and result in higher interest;**
- inconsistencies in standards, controls, procedures and policies, including internal control and regulatory requirements under the Sarbanes-Oxley Act of 2002; and
- unanticipated issues, expenses and liabilities.

 Further, the integration of the ~~Mill Augusta Facility~~ **Mill Augusta Facility** requires the focused attention of our management team, including a significant commitment of their time and resources. ~~The need for our management to focus on integration matters could have a material and adverse impact on our sales and operating results. Any inability by us to integrate and manage the Mill Facility in a timely and efficient manner, which any inability to achieve anticipated revenues, cost savings or other anticipated benefits from the acquisition in the time frame we anticipate or any unanticipated required increases in capital spending could adversely affect our business, financial condition, results of operations or liquidity. The acquisition will increase our indebtedness and also may limit our ability to access additional capital when needed and divert management's attention from other business concerns.~~ **The need for our management to focus on integration matters could have a material and adverse impact on our sales and operating results. Any inability by us to integrate and manage the Augusta Facility, any inability to achieve anticipated revenues, cost savings or other anticipated benefits from the acquisition in the time frame we anticipate or any unanticipated required increases in capital spending could adversely affect our business, financial condition, results of operations or liquidity. The Tissue Divestiture may disrupt our remaining business or not achieve its intended benefits. On November 1, 2024, we completed the sale of our consumer products division to Sofidel America Corp. (the "Tissue Divestiture"). A number of risks and challenges may arise from the divestiture, including purchase price adjustments, unexpected costs, charges or expenses and disruption in our remaining business, including potential adverse changes to relationships with customers, employees, suppliers or other parties resulting from the divestiture process. The Tissue Divestiture may also be disruptive to our regular operations, diverting the attention of our workforce and management team from the day-to-day operation of our business, making the execution of business and other potential strategies more difficult, and could result in increased undesired workforce turnover, including of key leaders or other personnel. We may not realize some or all of the anticipated benefits from the Tissue Divestiture with respect to the anticipated performance of our remaining business. The Company may experience continued financial exposure as a result of the Tissue Divestiture, through the retention of certain liabilities, including, for example, with respect to certain environmental claims. The Tissue Divestiture may not enhance long-term stockholder value as anticipated and / or the efforts required to complete the divestiture process may be more costly or time-consuming than expected. Any of the foregoing could result in the imposition of obligations that could have a material adverse effect on our business, operating results or financial condition. We may incur significant costs or be unable to realize the expected benefits and long-term savings associated with our restructuring initiatives. In response to the Tissue Divestiture, we have made and will continue to make certain**

changes to our functional and leadership structure to reduce operating expenses and adjust cash flows. Additional restructuring initiatives or changes to our functional and leadership structure may also be implemented in the future to align our operations with shifting demands in the markets in which we operate. These restructuring initiatives may include adjustments to our workplace policies and personnel strategy which could adversely impact our reputation and brand, and our ability to recruit, retain, train, and motivate highly skilled personnel. Such restructuring activities may also divert the attention of management and be disruptive to our business operations. While these initiatives are implemented to achieve long-term savings, we may incur significant short-term costs and there are no assurances that we will be able to realize all, or any, of the expected benefits. Following the Tissue Divestiture, we share certain facilities in Lewiston, Idaho with Sofidel and we are required to provide certain services to Sofidel related to such shared facilities. Our relationship with Sofidel may impact our ability to conduct business at our Lewiston mill solely for our benefit. Following the Tissue Divestiture, we share certain facilities located in Lewiston, Idaho with an affiliate of Sofidel America Corp. (together with such affiliate, "Sofidel"). We are party to a Services and Use Rights Agreement with Sofidel, pursuant to which we provide certain supplies and services to Sofidel in connection with its operations at such shared facility. Given the terms of this arrangement, operation of the Lewiston facility requires additional organizational formalities and procedures for decision-making on site. In certain circumstances, we must consult with Sofidel to reach a common view on operational matters affecting both portions of the Lewiston facility. Our inability to take unilateral actions at the Lewiston facility could have an adverse effect on our business, operating results or financial condition. We may also be exposed to unexpected risks associated with Sofidel's operations at the Lewiston facility over which we have little control. The Tissue Divestiture changes our exposure to other risks and uncertainties. As a result of the Tissue Divestiture, our pulp and paperboard segment is our only line of business, and thus we are a smaller and more narrowly-focused business than prior to the Tissue Divestiture. Due to this lack of diversification, any adverse developments in the pulp and paperboard industry could have a significantly greater impact on our overall financial condition and results of operations than if we maintained multiple lines of business.

RISKS RELATED TO OUR BUSINESS OPERATIONS AND THE MARKETS IN WHICH WE OPERATE Difficult Post-pandemic industry and market conditions adversely affected and may continue to adversely affect the operating results and cash flows of our Pulp and Paperboard business. Our Pulp and Paperboard segment experienced a surge market conditions may adversely affect our utilization rates due to decreases in product demand, during During such periods and following the COVID-19 pandemic due to increased packaging and other usage of paperboard needed to address substantially higher consumer activity. In response to this demand, our facilities may not operate at full capacity our- or customers added to their paperboard inventories. As consumer activity leveled out, our customers are deployed their inventories to address their paperboard needs, leading to an overall decline in paperboard demand and prices in 2023. If this trend continues, we may experience further decline in paperboard demand, we may be unable to sustain pricing, and we may need to take production downtime. During periods of lower capacity utilization and production downtimes, we not only experience lost revenue from lower shipment volumes but are also forced to continue to incur our fixed manufacturing costs, which are not absorbed by our lower production levels. Our results of operations and cash flows may be materially adversely affected in a period of prolonged and significant market weakness. We are not able to predict market conditions or our ability to sustain pricing and production levels during periods of weak demand. For example, demand for our paperboard products surged during and following the COVID-19 pandemic, due to increased packaging and other usage of paperboard needed to address substantially higher consumer activity. In response to this demand, our customers added to their paperboard inventories. As consumer activity leveled out, our customers deployed their inventories to address their paperboard needs, leading to an overall decline in paperboard demand and prices in 2023 and 2024. If this trend continues, we may experience a further decline in paperboard demand, we may be unable to sustain pricing, and we may need to take production downtime. The loss of, or a significant reduction in, orders from, or changes in prices in regard to, any of our large customers could adversely affect our operating results and financial condition. We derive a substantial amount of revenues- revenue from a concentrated group of customers. Our top 10 paperboard customers accounted for 54-45% of our sales in 2023-2024. If we lose any of these customers or a substantial portion of their business or if the terms of our relationship with any of them becomes less favorable to us, our net sales would decline, which would harm our results of operations and financial condition. In 2023-2024, we experienced increased price competition in our paperboard business along with a significant drop in demand due to market conditions. This competition and the decline in demand has resulted in a decrease in our paperboard revenue and gross margins and adversely affected our financial condition. Our agreements with our customers, including our largest customers, are not exclusive and generally do not contain minimum volume purchase commitments. Our relationship relationships with our largest and most important customers will depend on their needs for quality products and services, and our ability to continue to meet these needs at competitive prices. Some of our customers have the capability to produce the parent rolls or products that they purchase from us. If we lose one or more of our large customers or if we experience a significant decline in the level of purchases by any of them, we may not be able to quickly replace the lost business volume, and our operating results and business could be harmed. Increases in paperboard supply could adversely affect our operating results and financial condition. We expect increased competition in North America from both foreign and domestic manufacturers. We have experienced, and expect to continue to experience, increased direct sales by foreign competitors into-in the markets in which we compete. In addition, as a result of increased sales by foreign suppliers into the Asian and European markets, we expect domestic manufacturers to seek to increase their sales in the United States to offset displaced overseas sales. Furthermore, existing and potential customers could choose to use alternative materials that we do not produce, such as substitute paperboard products and plastic. An increased supply of or demand for any of these alternative materials could cause us to lower our prices or lose sales to competitors, either of which could have a material adverse effect on our results of operations and cash flows. Several

significant investments in paperboard manufacturing facilities in North America and globally have been announced, which could significantly increase the production and supply of Solid Bleached Sulfate (SBS) and Folding Boxboard (FBB) paperboard. One competitor has announced the first meaningful investment in FBB paperboard production in the North American market. If demand does not increase commensurate with supply, it could result in lower capacity utilization and effect the price of SBS, which could materially and adversely affect our results of operations and cash flows. Substitution amongst paperboard grades could have an adverse effect on our financial results a cost of production advantage over SBS producers. We currently manufacture only produce SBS paperboard. In addition to non- paper- based packaging substitutes for paperboard, there are other grades or substrates of paperboard, including FBB, Coated Recycled Board (CRB), and Coated Unbleached Kraft (CUK) paperboard, which are or can be substituted for SBS paperboard. If demand for SBS paperboard does declines as a result of customer or consumer preference for these substitute products, or more generally, we may lose business or may not be able to grow our existing paperboard business increase commensurate with the increased SBS and FBB supply, resulting in and we may be forced to sell at lower margins capacity utilization, all the price of SBS and FBB paperboard could be materially and adversely effected. In addition, the production of FBB paperboard could result in the displacement of demand for SBS in the North American and export markets, which could adversely negatively affect the demand our financial condition and results of operations market price for SBS paperboard. Consolidation in the North American paperboard and converting industry may adversely affect our business. The ongoing consolidation of paperboard and paperboard converting businesses, including through the acquisition and integration of such converting businesses by larger competitors of ours, could result in a loss of customers and sales in our pulp and paperboard business. A loss of paperboard customers or sales as a result of consolidations and integrations could have a material adverse effect on our business, financial condition, results of operations and cash flows. Our products are vulnerable to declines in demand due to a shift in consumer preference for competing, sustainable materials which may have an adverse effect on our business. Consumer preferences are increasingly shaped by concerns over post- consumer waste, packaging sustainability, and the environmental impact of materials. The demand for recyclable and eco- friendly packaging represents a significant trend, requiring us to focus on developing innovative, sustainable consumer packaging solutions to help customers achieve their packaging sustainability goals. However, responding to these goals involves risks and uncertainties, as these efforts require substantial investment and may involve significant changes to our manufacturing facilities and processes. The inability to innovate our products effectively or respond adequately to changes in consumer preference could result in financial and operational challenges. Cyclical industry conditions have in the past affected and may continue to adversely affect the operating results and cash flows of our business. Our business has historically been affected by cyclical market conditions. We may be unable to sustain pricing in the face of weaker demand, and weaker demand may in turn cause us to take production downtime. In addition to lost revenue from lower shipment volumes, production downtime causes unabsorbed fixed manufacturing costs due to lower production levels. Our results of operations and cash flows may be materially adversely affected in a period of prolonged We incur significant expenses to maintain our manufacturing equipment and any interruption in the operations of our facilities may harm our operating performance. We regularly incur significant expenses to maintain our manufacturing equipment and facilities. The machines and equipment that we use to produce our products are complex, interdependent, have many parts and some are run on a continuous basis. We must perform routine maintenance on our equipment and will have to periodically replace a variety of parts such as motors, pumps, pipes and electrical parts. In addition, our pulp and paperboard facilities require periodic shutdowns to perform major maintenance, during which we may discover additional maintenance or equipment issues that need to be addressed. These scheduled shutdowns of facilities result in decreased sales and increased costs in the periods in which they occur and could result in unexpected operational issues during the restart of a facility or in future periods as a result of changes to equipment and operational and mechanical processes made during the shutdown period. Unexpected production disruptions could cause us to shut down or curtail operations at any of our facilities. Disruptions could occur due to any number of circumstances, including prolonged power outages, mechanical or process failures, faults in aging equipment, shortages of raw materials, natural catastrophes, disruptions in the availability of transportation, labor disputes, cyber- attacks and malware, terrorism, changes in or non- compliance with environmental or safety laws, and the lack of availability of services from any of our facilities key suppliers. For example, in the fourth quarter of 2023, we were forced to partially shutdown shut down parts of our mill and curtail production at our Idaho facility due to damage to a natural gas pipeline that supplied the region. Any facility shutdowns may be followed by prolonged startup periods, regardless of the reason for the shutdown. Those startup periods could range from several days to several weeks, depending on the reason for the shutdown and other factors. Any prolonged disruption in operations at any of our facilities could cause significant lost production, which would have a material adverse effect on our results of operations. We depend on external sources of wood pulp and wood fiber for a significant portion of our tissue production, which exposes our business and results of operations to potentially significant supply and price fluctuations in the price of market pulp and wood fiber. Our Consumer Products segment sources a significant portion of its wood pulp requirements from external suppliers, which exposes us to price fluctuation. In 2023, we sourced 70 % of our Consumer Product segment pulp requirements (or 30 % overall) of our pulp from external sources. Pulp prices can, and have, changed significantly from one period to the next. The volatility of pulp prices can adversely affect our earnings if we are unable to pass cost increases on to our customers or if the timing of any price increases for our products significantly trails the increases in pulp prices. Wood fiber is the principal raw material used to create wood pulp, which in turn is used to manufacture our pulp and paperboard products and consumer products. Wood fiber pricing is subject to regional market influences, and our cost of wood fiber may increase in the areas our pulp and paperboard facilities are located due to market shifts in those regions. For example, much of the wood fiber we use in our pulp manufacturing process in at our Lewiston, Idaho facility, is the by-product of sawmill operations. As a result, the price of these residual wood fibers is affected by operating levels in both the pulp

and ~~paper~~ **paperboard** and lumber industries, which in the case of the latter is impacted by regional new home construction as well as home remodeling and repairs. During the past decade, many sawmills in the western United States have closed or curtailed operations or their operations have been consolidated. Additionally, the ability of paper and wood pellet mills in British Columbia to acquire wood fiber from the U. S. Inland Northwest region with limited to no reciprocal ability by U. S. mills to acquire wood fiber from British Columbia, reduces the supply of, and increases the costs for, wood fiber. The price of wood fiber in the Pacific Northwest is expected to remain volatile. Our Arkansas **and Augusta** pulp and paperboard ~~facility~~ **facilities** ~~relies~~ **rely** on whole log chips for a significant portion of ~~its~~ **their** wood fiber, the supply of which can be negatively affected by regional demand from other paper or wood product manufacturing facilities as well as adverse weather conditions and reductions in logging companies. The primary source for wood fiber is timber, the availability of which may be limited by adverse weather, fire, insect infestation, disease, ice storms, windstorms, flooding and other natural and man- made causes, thereby reducing supply and increasing prices. The effects on market prices for wood fiber resulting from various governmental programs involving tax credits or payments related to biomass and other renewable energy projects or from environmental litigation or regulation are uncertain and could result in a reduction in the supply of wood fiber available for our pulp and paperboard manufacturing operations. Additionally, wood pellet and pulp facilities can increase demand and prices for wood fiber. If we and our pulp suppliers are unable to obtain wood fiber at favorable prices or at all, our costs will increase, and our operations and financial results may be harmed **our gross margins may be materially adversely affected. The cost** of chemicals and energy needed for our manufacturing processes significantly affects our results of operations and cash flows. We use a variety of chemicals in our manufacturing processes, including petroleum- based polyethylene and certain petroleum- based latex chemicals. Prices for these chemicals have been and are expected to remain volatile. In addition, chemical suppliers that use petroleum- based products in the manufacture of their chemicals may, due to supply shortages and cost increases, ration the amount of chemicals available to us, and therefore we may not be able to obtain at favorable prices the chemicals we need to operate our business, if we are able to obtain them at all. ~~Additionally, our facilities rely on imported raw materials and energy, including market pulp, natural gas, bulk chemicals and other commodities required to manufacture our products that could be impacted by tariffs on imported goods. Any significant disruption in the supply of, or significant cost increase in our manufacturing inputs, caused by tariffs or otherwise, in circumstances where we cannot raise the price of our products, could have a material adverse effect on our results of operations, affect our ability to meet customer demand in a timely manner and harm our reputation and our business.~~ Our manufacturing operations also utilize large amounts of electricity and natural gas. Energy prices have fluctuated widely over the past decade, which in turn affects our operational costs. We purchase on the open market a substantial portion of the natural gas necessary to produce our products, and **as a result, the price and other terms of those purchases are subject to change based on factors such as worldwide supply and demand, geopolitical events, government regulation, weather, interruptions in pipeline and other delivery systems and natural disasters. Our energy costs in future periods will depend principally on our ability to produce a substantial portion of our electricity needs internally, on changes in market prices for natural gas and on reducing energy usage. Any significant energy shortage or significant increase in our energy costs**. Disruptions in transportation services or increases in our freight costs could have a material adverse effect on our business. Our business is dependent on transportation services to deliver our products to our customers and to deliver raw materials to us ~~as well as for intercompany shipments of parent rolls~~. Shipments of products and raw materials may be delayed or disrupted due to weather conditions, labor shortages or strikes, regulatory actions or other events. If our transportation providers are unavailable or fail to deliver our products in a timely manner, we may incur increased costs and we may be unable to manufacture and deliver our products on a timely basis. For example, in 2022, we experienced both difficulties in procuring sufficient transportation for ~~intercompany and external~~ shipments as well as significant increases in freight costs due to a number of factors. The costs of these transportation services are also affected by geopolitical, economic and weather-related events. We have not been able in the past, and may not be able in the future, to pass ~~along~~ part or all of any fuel price increases **through** to customers. ~~Any~~ **If we are unable to increase our prices because of increased fuel or freight costs, our gross margins may be materially adversely..... or significant increase in our energy costs** in circumstances where we cannot raise the price of our products, could have a material adverse effect on our **gross** results of operations. ~~Any disruption in the supply of energy could also affect our ability to meet customer demand in a timely manner and could harm our reputation and our business. We rely on a limited number of third- party suppliers, vendors and service providers required for the production of our products and our operations. Our dependence on a limited number of third- party suppliers, and the challenges we may face in obtaining adequate supplies of raw materials, involve several risks, including limited control over pricing, availability, quality and delivery schedules. Limitations on the availability of, and subsequent increases in, the costs of raw materials could have an adverse effect on our financial results. We cannot be certain that our current suppliers will continue to provide us with the quantities of these raw materials that we require or will continue to satisfy our anticipated specifications and quality requirements. Any supply interruption in limited raw materials could materially harm our ability to manufacture our products until a new source of supply, if any, could be identified and qualified. Although we believe there are other suppliers of these raw materials, we may be unable to find a sufficient alternative supply channel in a reasonable time or on commercially reasonable terms. We also depend on a limited number of third- party vendors for certain of our operating equipment and spare parts as well as service providers. Any performance failure on the part of our suppliers or vendors could interrupt production of our products, which would have a material adverse effect on our business. Competitors' branded products and private label products could have an adverse effect on our financial results. Our tissue products compete with well- known, branded products, as well as other private label products. Our business may be harmed by new product offerings by competitors, the effects of consolidation within retailer and distribution channels and price competition from companies that may have greater financial resources than we do. If we are unable to offer our existing customers, or new customers, tissue products comparable to branded products or other companies' private label products in terms of quality, customer service and / or price, we may lose business or~~

we may not be able to grow our existing business, and we may be forced to sell lower-margin products, all of which could negatively affect our financial condition and results of operations. Larger competitors have operational and other advantages over our operations. The markets for our products are highly competitive, and companies that have substantially greater financial resources compete with us in each market. Some of our competitors have advantages over us, including lower raw material and labor costs and better access to the inputs of our products. Our Consumer Products business faces competition from companies that produce the same type of products that we produce or that produce alternative products that customers may use instead of our products. Our Consumer Products business competes with the branded tissue products producers, such as Procter & Gamble, and branded label producers who manufacture branded and private label products, such as Georgia-Pacific and Kimberly-Clark. These companies are far larger than us, have more sales, marketing and research and development resources than we do, and enjoy significant cost advantages due to economies of scale. In addition, because of their size and resources, these companies may foresee market trends more accurately than we do and develop new technologies that render our products less attractive or obsolete. Our ability to successfully compete in the pulp and paperboard industry is influenced by a number of factors, including manufacturing capacity, general economic conditions and the availability and demand for paperboard substitutes. Our Pulp and Paperboard business competes with Smurfit WestRock Westrock, Georgia-Pacific, Graphic Packaging, Sappi Pactiv Evergreen and other international producers, most of whom are much larger than us. Any increase in manufacturing capacity by any of these or other producers could result in overcapacity in the pulp and paperboard industry, which could cause downward pressure on pricing. Substitution amongst paperboard grades could have an adverse effect on our financial results. We currently manufacture only SBS paperboard. In addition to non-paper-based packaging substitutes for paperboard, there are other grades or substrates of paperboard, including FBB, Coated Recycled Board (CRB), and coated unbleached kraft (CUK) paperboard, which are or can be substituted for SBS paperboard. If demand for SBS paperboard declines as a result of customer or consumer demand for these substitute products, we may lose business or may not be able to grow our existing paperboard business, and we may be forced to sell at lower margins, all of which could negatively affect our financial condition and results of operations. Increases in tissue supply, particularly in the premium and ultra categories, could adversely affect our operating results and financial condition. Over the past few years, several new tissue paper machines and converting assets have been completed or announced by us and by our competitors, including private label competitors, which has resulted and will continue to result in a substantial increase in the supply of tissue in the North American market across various product quality grades. If demand for private label tissue products in the North American market does not increase commensurate with the increased capacity, resulting in a lower capacity utilization for private label tissue producers, product pricing and margins could be depressed. When capacity utilization is low, pricing and margins could be further depressed by increases in our input costs and increased buying power from our retail customers, many of which have and continue to consolidate. Changing retail purchasing patterns have increased the need to increase operating efficiencies and diversify our customer base and sales channels. We have historically sold a majority of our consumer tissue products through retail grocery stores. These and other traditional retail outlets are facing increasingly intense competition from supercenters, club stores, wholesale grocers, drug, dollar, variety and specialty stores. In response to this competition, there has been consolidation among retail grocery stores in particular. We also face increasingly intense competition from competitors who have incorporated the internet as a direct-to-consumer channel and internet-only providers that sell tissue and other grocery products. The intense competition faced by our customers has resulted in increased efforts by them to reduce costs from suppliers like us and requires that we become more cost efficient to maintain our market share and profitability. The changing retail landscape also requires that we develop and maintain relationships with a wider variety of retailers and retail channels to succeed in this dynamic environment, which can decrease our supply network efficiency and increase our costs. Our business and financial performance may be harmed by future labor disruptions. As of December 31, 2023-2024, approximately 1,270-400 of our full-time employees were represented by unions under collective bargaining agreements. As these agreements expire, we may not be able to negotiate extensions or replacement agreements on terms acceptable to us. **If such workers were to engage in a strike, lockout, work slowdown, stoppage or other labor action, or if other employees were to become unionized, we could experience a significant disruption of our operations and / or higher ongoing labor costs, which could adversely affect our business, financial condition and results of operations.** In July-August 2024-2025, a collective bargaining agreement for hourly employees at our Cypress Bend-Lewiston, Idaho facility, which affects approximately 270-500 employees, will expire. Any failure to reach an agreement with one of the unions may result in strikes, lockouts, work slowdowns, stoppages or other labor actions, any of which could have a material adverse effect on our operations and financial results. **Cyclical industry conditions-We rely on a limited number of third-party suppliers, vendors and service providers required for the production of our products and our operations. Our dependence on a limited number of third-party suppliers, and the challenges we may face in obtaining adequate supplies of raw materials, involve several risks, including limited control over pricing, availability, quality and delivery schedules. Limitations on the availability of, and subsequent increases in, the costs of raw materials could have in the past affected and- an may adverse effect on our financial results. We cannot be certain that our current suppliers will continue to adversely affect- provide us with the quantities of these raw materials that we require operating results and cash flows of our- or Pulp will continue to satisfy our anticipated specifications and Paperboard business quality requirements. Our Pulp- Any supply interruption in limited raw materials could materially harm our ability to manufacture our products until a new source of supply, if any, could be identified and qualified Paperboard business has historically been affected by cyclical market conditions. We Although we believe there are other suppliers of these raw materials, we may be unable to sustain pricing- find a sufficient alternative supply channel in the face- a reasonable time or on commercially reasonable terms. We also depend on a limited number of weaker demand, third-party vendors for certain of our operating equipment and weaker demand may in turn cause us to take spare parts as well as service providers. Any performance failure on the part of our suppliers or**

vendors could interrupt production of our downtime. In addition to lost revenue from lower shipment volumes, **production products, which would have a** downtime causes unabsorbed fixed manufacturing costs due to lower production levels. Our results of operations and cash flows may be materially **material** adversely **adverse effect on** affected in a period of prolonged and significant market weakness. We are not able to predict market conditions or **our business.** our ability to We rely on information technology in critical areas of our operations, and a disruption relating to such technology could harm our financial condition. We use information technology, or IT, systems in various aspects of our operations, including enterprise resource planning, management of inventories, manufacturing, supply chain and customer sales. We have different legacy IT systems that we are continuing to integrate, upgrade and move to the cloud. If one of these systems were to fail or cause operational or reporting interruptions, or if we decide to change these systems or hire outside parties to provide these systems, we may suffer disruptions, which could have a material adverse effect on our manufacturing and sales operation, results of operations and financial condition. In addition, we may underestimate the costs, complexity and time required to develop and implement new systems and operating technology systems that control our manufacturing equipment and facilities and are embedded in our plant networks. We face cyber- security risks. Our business operations rely upon secure information technology systems for data capture, processing, storage and reporting. Despite careful security and controls design, implementation and updating, our information technology systems or plant networks could become subject to cyber- attacks. **We may not have the resources or technical sophistication to anticipate or prevent all such cyber- attacks. Moreover, techniques used to obtain unauthorized access to systems change frequently and may not be known until launched against us. Security breaches can also occur as a result of nontechnical issues, including intentional or inadvertent breaches by our employees.** Network, system, application and data breaches could result in operational disruptions or information misappropriation, which could result in lost sales, production interruption, **financial losses**, business delays, negative publicity, and could have a material adverse effect on our business, results of operations and financial condition. We are subject to significant environmental regulation and environmental compliance expenditures, which could increase our costs and subject us to liabilities. We are subject to various federal, state and foreign environmental laws and regulations concerning, among other things, water discharges, air emissions, hazardous material and waste management and environmental cleanup. Environmental laws and regulations continue to evolve and we may become subject to increasingly stringent environmental standards in the future, particularly under laws and standards related to air quality, water quality, product composition and climate change issues. In particular, greenhouse gas emissions have increasingly become the subject of political and regulatory focus and this may lead to changes in legislative and regulatory initiatives directed at limiting greenhouse emissions. Increased regulatory activity at the state, federal and international level is possible regarding climate change as well as other emerging environmental issues associated with our manufacturing sites and products, such as water quality standards ~~or~~, dam breaching for purposes of aiding salmon recovery in the Pacific Northwest, or recycling. Such new public policy or compliance with regulations that implement new public policy in these areas might require significant expenditures on our part or even the curtailment of certain of our manufacturing operations. We could also incur substantial fines or sanctions, enforcement actions, damage claims, cleanup costs, third- party claims for property damage and personal injury, and reputational harm as a result of violations of, or liabilities under, environmental laws, regulations, codes and common law. The amount and timing of environmental expenditures is difficult to predict, and, in some cases, liability may be imposed without regard to contribution or to whether we knew of, or caused, the release of hazardous substances. We are required to comply with environmental laws and the terms and conditions of multiple environmental permits. In particular, the pulp and ~~paper~~ **paperboard** industry in the United States is subject to several performance based rules associated with effluent and air emissions as a result of certain of its manufacturing processes. Federal, state and local laws and regulations require us to routinely obtain authorizations from and comply with the evolving standards of the appropriate governmental authorities, which have considerable discretion over the terms of permits. Failure to comply with environmental laws and permit requirements could result in civil or criminal fines or penalties or enforcement actions, including regulatory or judicial orders enjoining or curtailing our operations or requiring us to take corrective measures, install pollution control equipment, or take other remedial actions, such as product recalls or labeling changes. We also may be required to make additional expenditures, which could be significant, relating to environmental matters on an ongoing basis. There can be no assurance that future environmental permits will be granted or that we will be able to maintain and renew existing permits, and the failure to do so could have a material adverse effect on our results of operations, financial condition and cash flows. We own properties, conduct or have conducted operations at properties, and have assumed indemnity obligations for properties or operations where hazardous materials have been or were used for many years, including during periods before careful management of these materials was required or generally believed to be necessary. Consequently, we will continue to be subject to risks under environmental laws that impose liability for historical releases of hazardous substances and to liability for other potential violations of environmental laws or permits at existing sites or ones for which we have indemnity obligations. We may be subject to operational and financial climate change risks. Extreme weather- related events caused by climate change, such as prolonged, extreme high or low temperatures, extreme storms, floods and decreased or curtailed water supplies, could result in physical damage to our facilities and operations. Such events may also result in supply chain disruptions and increased costs. For example, in ~~both 2020 and 2021, extreme weather events resulted in the curtailment of operations at our Arkansas mill and in~~ the first quarter of 2024, extreme cold and related natural gas supply issues resulted in the shutdown ~~of and damage to~~ our Lewiston, Idaho mill **and in the fourth quarter of 2024, impacts from Hurricane Helene resulted in the temporary suspension of operations at our Augusta, Georgia facility**. The ability to harvest the wood fiber used in our manufacturing operations may be limited, and prices could become volatile, because of variations in weather, wildfires, and climate conditions. Damage or disruptions we may incur because of climate- related risks could have a material adverse effect on our manufacturing and sales operations, results of operations and financial condition. In addition, we may underestimate the costs, complexity and time required to develop and implement mitigation efforts to address potential climate

change impacts. **Our operations require substantial** Expansion of our business through construction of new facilities or acquisitions may not proceed as anticipated. We may enhance, modify or build manufacturing facilities, pursue acquisitions of existing facilities, or both. We may be unable to identify future suitable strategic capital or building projects or acquisition targets. In addition, we may be unable to achieve anticipated benefits or cost savings from construction projects or acquisitions in the timeframe we anticipate, or at all. Any inability by us to integrate and manage any new or acquired facilities or businesses in a timely and efficient manner, any inability to achieve anticipated cost savings or other anticipated benefits from these projects or acquisitions in the time frame we anticipate or any unanticipated required increases in costs or capital spending could adversely affect our business, financial condition, results of operations or liquidity. Large construction projects or acquisitions can result in a decrease in our cash and short-term investments, an **and** increase in our indebtedness, or **our** both, and also may limit our ability to access additional capital when needed and divert management's attention from other business concerns. Our capital expenditures may not achieve the desired outcomes or may be achieved at a higher cost than anticipated. **We-Our business is capital intensive and we** regularly make capital expenditures **to maintain our equipment, improve our operating efficiency, comply with environmental laws, and innovate to remain competitive.** ~~many~~ Many of our capital projects are complex, costly, and implemented over an extended period of time. We may experience higher expenditures than anticipated for particular capital projects as well as unanticipated business disruptions, and we may not achieve the desired benefits from a given project, any of which could adversely affect our business, financial condition, results of operations and cash flows. In addition, disputes between us and contractors who are involved with implementing capital projects could lead to time-consuming and costly litigation. We may face demand, supply, and operational challenges associated with effects of a disease outbreak, including epidemics, pandemics, or similar widespread public health concerns. Our business and financial results may be negatively impacted by health epidemics, pandemics and similar widespread public health concerns or outbreaks. Despite our efforts to manage these impacts, their ultimate impact also depends on factors beyond our knowledge or control, including the duration and severity of any such outbreak and actions taken to contain its spread and mitigate its public health effects. **We are exposed to lawsuits, governmental investigations and proceedings relating to current and historical operations and products, which could harm our business. From time to time, the nature of our business exposes us to certain lawsuits, governmental investigations and proceedings relating to current and historical operations and products, which may include claims involving product liability, environmental compliance, hazardous materials, infringement of intellectual property rights of third parties, workplace safety, employment and other claims. While we have in place processes and policies to mitigate these risks and to investigate and address such claims as they may arise, we cannot predict the underlying costs to defend or resolve such claims and any adverse rulings or results could have a material adverse effect on our business, financial condition, or results of operations. We could be subject to changes in tax rates, the adoption of new tax laws or interpretations, or exposure to additional tax liabilities. We are subject to income and other taxes in the U. S. Tax laws are dynamic and subject to change as new laws are passed and new interpretations of the law are issued or applied. Significant judgment is required in estimating our provision for income taxes. In the ordinary course of our business, there are many transactions and calculations where the ultimate tax determination is uncertain. Although we believe our tax estimates are reasonable, any final determination pursuant to tax audits and any related litigation could be materially different to the amounts reflected in our financial statements. Should any tax authority disagree with our estimates and determine any additional tax liabilities, including interest and penalties for us, this could adversely impact our results of operations, financial position and cash flows. If we are unable to continue to implement our business plan and strategic initiatives, our financial condition and operating results could be materially affected. Our future operating results will depend, in part, on the extent to which we can successfully implement our business plan and strategic initiatives in a cost effective manner. We pursue strategic initiatives that management considers important to our long-term success, including mergers and acquisitions, dispositions and restructuring activity. There are risks involved with the execution of such initiatives, including significant business, economic and competitive uncertainties, many of which are beyond our control, including those associated with the global macro- environment in which we operate, trends in our industry, demand for our products, competitive threats, product innovation, public policy developments, changes to consumption habits, and resource allocation. If we are unable to successfully implement our business plan or strategic initiatives, our business, financial condition and operating results could be materially and adversely affected. Additionally, we may enhance, modify or build manufacturing facilities as part of our strategic initiatives. We may be unable to identify future suitable strategic capital or building projects or may be unable to achieve anticipated benefits or cost savings from construction projects in the timeframe we anticipate, or at all. Large construction projects or acquisitions can result in a decrease in our cash and short- term investments, an increase in our indebtedness, or both, and also may limit our ability to access additional capital when needed and divert management' s attention from other business concerns.**

RISKS RELATED TO OUR EMPLOYEE PLANS We may be required to pay material amounts to multiemployer pension plans; our participation subjects us to potential liabilities, which could be significant, if we withdraw from a plan in the future. We contribute to two multiemployer pension plans. The amount of our annual contributions to these plans is negotiated with the union representing our employees covered by each plan. In ~~2023~~ **2024**, we contributed approximately \$ 5. 8 million to these plans. If in future years we continue to participate in these plans, we may be required to make increased annual contributions in amounts that are difficult to predict and potentially beyond our control, which would reduce the cash available for business and other needs. The decision whether to continue to participate in these multiemployer plans does not rest solely with us; rather, it is negotiated as part of the collective bargaining agreements with labor unions that participate in these plans. If we were to withdraw partially or completely from a multiemployer plan that is underfunded, we would be liable for a proportionate share of that plan' s unfunded vested benefits as required by law. This is called withdrawal liability. The amount of withdrawal liability, if any, assessable to us if we were to withdraw in a future year is difficult to predict

and largely beyond our control. One of the multiemployer pension plans to which we contribute, the IAM National Pension Fund, or IAM NPF, elected to be certified to be in “critical status” for the plan year beginning January 1, 2019. If we were to withdraw from IAM NPF, either completely or partially, we would incur a statutory withdrawal liability based on our proportionate share of IAM NPF’s unfunded vested benefits. Based on information available to us, as well as information provided by IAM NPF, and reviewed by our actuarial consultant, we estimate that, as of December 31, ~~2023~~ **2024**, we would be obligated to pay a single sum withdrawal liability payment of approximately \$ ~~5.4~~ **3.9** million on a pretax basis if we were to have completely withdrawn from IAM NPF in ~~2023~~ **2024**. We currently have no plans to withdraw from IAM NPF and have not recognized any liability associated with a withdrawal from IAM NPF in our consolidated financial statements. The other multiemployer pension plan to which we contribute, the PACE Industry Union- Management Pension Fund, or PIUMPF, was certified to be in “critical status” for the plan year beginning January 1, 2010 and continued to be in critical status through the plan year beginning January 1, 2014. For the plan years beginning January 1, 2015 through January 1, 2023, PIUMPF was certified to be in “critical and declining status” under the Multiemployer Pension Reform Act of 2014. The number of employers participating in PIUMPF fell from 135 during 2012 to ~~43~~ **42** in ~~2022~~ **2023**. We ~~are~~ **were** the largest contributing employer participating in PIUMPF **in 2024**. The American Rescue Plan Act of 2021, or ARPA, includes provisions to provide financial relief to financially troubled multiemployer pension plans. In 2023, PIUMPF applied for and received approximately \$ 1.3 billion in a lump sum payment under this program — an amount intended to allow it to remain solvent until approximately 2051. If we were to withdraw from PIUMPF, either completely or partially, we would incur a statutory withdrawal liability based on our proportionate share of PIUMPF’s unfunded vested benefits. Based on information available to us, as well as information provided by PIUMPF, and reviewed by our actuarial consultant, we estimate that, as of December 31, ~~2023~~ **2024**, the withdrawal liability payments that we would be required to make to PIUMPF were we to have completely withdrawn in ~~2023~~ **2024** would be approximately \$ 5.7 million per year on a pretax basis. These payments generally would continue for 20 years with an estimated present value of approximately \$ ~~73~~ **70** million on a pre-tax basis. **We expect that all other things being equal, the receipt of ARPA funds has eliminated PIUMPF’s unfunded vested benefits. Because the ARPA funds must be “phased in” over the period of time such funds are expected to be utilized, however, we expect any potential withdrawal liability will be significantly reduced annually and ultimately eliminated over an extended period.** Were we voluntarily to withdraw from PIUMPF, we could be subject to substantial payments in addition to the withdrawal liability payments described above. As a plan in critical and declining status, PIUMPF has adopted a rehabilitation plan. That rehabilitation plan purports to require a withdrawing employer to make an additional, lump-sum payment — above and beyond the statutory withdrawal liability — based on the employer’s share of PIUMPF’s accumulated funding deficiency, or AFD. We believe PIUMPF’s purported imposition of this AFD exit fee on withdrawing employers is not legally enforceable — and that PIUMPF’s receipt of approximately \$ 1.3 billion in lump sum financial relief from the federal government (through the ARPA program) provides additional support for this belief. Among other things, since it was enacted, PIUMPF’s sole justification for imposition of the AFD exit fee is that it was necessary to forestall PIUMPF’s insolvency — a justification that no longer applies now that PIUMPF has received funds under the ARPA program that have addressed its solvency crisis. Nevertheless, we are aware that one large employer that withdrew from PIUMPF prior to PIUMPF’s receipt of ARPA funds has recognized a liability for payment of an AFD exit fee amount and that other withdrawing employers have paid some amounts in respect to the AFD exit fee. There have been lawsuits in federal courts challenging PIUMPF’s AFD exit fee. These lawsuits have not resolved the issue. If the AFD exit fee were held to be legally enforceable, and if we were to withdraw in a future year, the amount of our AFD exit fee liability at the time of our withdrawal ~~could be material and~~ **would be material and** subject to a variety of factors, including without limitation, the nature and timing of a withdrawal, the financial health of PIUMPF at the time of the withdrawal, the level of contributions to the plan made by other contributing employers before our withdrawal, whether any employers that had withdrawn in the intervening years had made AFD exit fee payments, **the success of the potential legal challenges we could raise** and the effect of funding provided under ARPA. **PIUMPF’s receipt** ~~We expect that all other things being equal, the use of~~ **approximately \$ 1.3 billion in** ARPA funds ~~will reduce~~ **is more than enough to eliminate** PIUMPF’s AFD. **However, due to regulatory and accounting requirements, the impact of the ARPA funding will be effectively phased in over time, and we expect that this will result in the substantial reduction annually and ultimate elimination of any potential AFD exit fee exposure** over an extended ~~time~~ **period.** ~~Since~~ **As** we currently have no plans to withdraw from PIUMPF, we have not recognized any liability associated with a withdrawal from PIUMPF in our consolidated financial statements. Adverse changes to, or requirements under, pension laws and regulations or adverse changes, requirements or claims pursuant to PIUMPF’s rehabilitation plan, such as the AFD exit fee, could increase the likelihood and amount of our liabilities. Were we to withdraw from PIUMPF, these liabilities would be in addition to the pension contributions we would have to make to any new pension plan adopted or contributed to by us to replace PIUMPF. All of this could materially reduce the cash we would have available for business and other needs. Our pension and health care costs are subject to numerous factors that could cause these costs to change. In addition to our pension plans, we provide health care benefits to certain of our current and former salaried and hourly employees. Our health care costs vary with changes in health care costs generally, which have significantly exceeded general economic inflation rates for many years. Our pension costs are dependent upon numerous factors resulting from actual plan experience and assumptions about future investment returns. Pension plan assets are primarily made up of equity and fixed income investments. Fluctuations in actual equity market returns as well as changes in general interest rates may result in increased pension costs in future periods. Likewise, changes in assumptions regarding current discount rates, expected rates of return on plan assets and mortality rates could also increase pension costs. Significant changes in any of these factors may adversely impact our cash flows, financial condition and results of operations. **RISKS RELATED TO OUR INDEBTEDNESS AND TAX POSITIONS** ~~We have a substantial amount of indebtedness, which could have a material adverse effect on our financial condition and our ability to obtain financing in the future and to react to changes in our business. We have~~

a substantial amount of debt, which requires significant principal and interest payments. As of December 31, 2023, we had approximately \$ 468 million face value of debt outstanding, collectively which is related to our \$ 275 million 2020 Notes, Credit Agreements (as defined below) and finance leases. We had availability of approximately \$ 120 million under our PCA Credit Agreement (as defined below) as of December 31, 2023. After giving effect to borrowing base limitations, drawings outstanding and issuance of letters of credit, we had availability of approximately \$ 235.3 million under our ABL Credit Agreement (as defined below) as of December 31, 2023. Our significant amount of debt could have important consequences. For example, it could: • make it more difficult for us to satisfy our obligations under our notes and Credit Agreements; • increase our vulnerability to adverse economic and general industry conditions, including interest rate fluctuations, because a portion of our borrowings, including those under the Credit Agreements, are and will continue to be at variable rates of interest; • require us to dedicate a substantial portion of our cash flows from operations to payments on our debt, which would reduce the availability of our cash flow from operations to fund working capital, capital expenditures or other general corporate purposes; • limit our flexibility in planning for, or reacting to, changes in our business and industry; • place us at a disadvantage compared to competitors that may have proportionately less debt; • limit our ability to obtain additional debt or equity financing due to applicable financial and restrictive covenants in our debt agreements; and • increase our cost of borrowing. Despite our current indebtedness levels, we may still incur significant additional indebtedness. Incurring more indebtedness could increase the risks associated with our substantial indebtedness. We may be able to incur substantial additional indebtedness, including additional secured indebtedness, in the future. The terms of the Credit Agreements restrict but do not prohibit us from doing so. We had availability of approximately \$ ~~120~~ **270** million under our PCA Credit Agreement as of December 31, ~~2023~~ **2024**. After giving effect to borrowing base limitations and issuance of letters of credit, we had availability of approximately \$ ~~218~~ **259.0** million under the Credit Agreement as of December 31, ~~2023~~ **2024**. In addition, our Credit Agreements allow us to obtain additional secured revolving loan commitments under our ABL Credit Agreement **and additional term revolver commitments under our PCA Credit Agreement, in each case,** under certain circumstances, which would be guaranteed by our subsidiary guarantors. In addition, the indenture governing our notes does not prevent us from incurring certain other liabilities that do not constitute secured indebtedness. If new debt or other liabilities are added to our current debt levels, the related risks that we and our subsidiaries now face could intensify. ~~We are exposed to risks related to our arrangements with respect to supply chain financing and banking arrangements. We enter into supply chain financing arrangements with financial institutions to sell certain of our trade receivables without recourse. If we were to stop entering into these supply chain financing arrangements, our operating results, financial condition and cash flows could be adversely impacted by delays or failures in collecting trade receivables. However, by entering into these arrangements, and by engaging these financial institutions for banking services, we are exposed to additional risks. If any of these financial institutions experiences financial difficulties or is otherwise unable to honor the terms of our supply chain financing arrangements, we may experience material financial losses due to the failure of such arrangements or a lack of access to our funds, any of which could have an adverse impact upon our operating results, financial condition and cash flows.~~ If we default under our Credit Agreements, or other indebtedness, we may not be able to service our debt obligations. In the event of a default under our Credit Agreements or other indebtedness, lenders could elect to declare all amounts borrowed, together with accrued and unpaid interest and other fees, to be due and payable. If such acceleration occurs, thereby permitting an acceleration of amounts outstanding under our debt obligations, we may not be able to repay the amounts due. Events of default are separately defined in each credit agreement or indenture, but include events such as failure to make payments when due, breach of covenants, default under certain other indebtedness, failure to satisfy judgments in excess of a threshold amount, certain insolvency events and the occurrence of a change of control (as defined in the Credit Agreements). The occurrence of an event of default could have serious consequences to our financial condition and results of operations, and could cause us to become bankrupt or insolvent. To service our ~~substantial~~ **existing and future** indebtedness, we must generate ~~significant~~ cash flows. Our ability to generate cash depends on many factors beyond our control, and we may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful. As of December 31, ~~2023~~ **2024**, we had approximately \$ ~~468~~ **275** million of outstanding indebtedness, and we could incur substantial additional indebtedness in the future. Our ability to make scheduled payments on or to refinance our indebtedness, including our outstanding notes, and to fund planned capital expenditures, will depend on our ability to generate cash from our operations. This, to a significant extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. We cannot assure you that our business will generate sufficient cash flows from operations or that future borrowings will be available to us under our Credit Agreements in an amount sufficient to enable us to pay our indebtedness, including our outstanding notes, or to fund our other liquidity needs. We cannot assure you that we will be able to refinance any of our indebtedness, including our Credit Agreements and our outstanding notes, on commercially reasonable terms or at all. If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay investments and capital expenditures, or to sell assets, seek additional capital or restructure or refinance our indebtedness. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. If our operating results and available cash are insufficient to meet our debt service obligations, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. We may not be able to consummate those dispositions or to obtain the proceeds that we could realize from them, and these proceeds may not be adequate to meet any debt service obligations then due. Additionally, our debt agreements limit the use of the proceeds from certain dispositions; as a result, we may not be allowed, under these documents, to use proceeds from such dispositions to satisfy all current debt service obligations. Our Credit Agreements contain various covenants that limit our discretion in the operation of our business. Our Credit Agreements contain various covenants that limit our discretion in the operation of our business by restricting our ability to: • undergo a change in control; • sell assets; • pay dividends and make other distributions; • make investments, capital expenditures and other restricted payments; • redeem or repurchase our capital stock; •

incur additional debt and issue preferred stock; • guarantee indebtedness; • create liens; • consolidate, merge or sell substantially all of our assets; • enter into certain transactions with our affiliates; • engage in new lines of business; and • enter into sale and lease-back transactions. These restrictions on our ability to operate our business at our discretion could materially harm our business by, among other things, limiting our ability to enter into, make, or borrow in order to take advantage of financing opportunities with respect to mergers and acquisitions, capital expenditures and other corporate opportunities. If and when (and for as long as) availability, as calculated, under the ABL Credit Agreement is less than a specified amount for a certain period of time, funds deposited into deposit accounts used for collections would be transferred on a daily basis into a blocked account with the administrative agent and applied to prepay loans under the ABL Credit Agreement. If and when our leverage ratio, as calculated under the PCA Credit Agreement, is greater than a specified amount (and lasting until at least the end of two fiscal quarters until our leverage ratio is less than such amount), the amount of dividends, stock repurchases, capital expenditures and other investments we would be permitted to make in the then current fiscal year would be capped at specified dollar amounts. As a result of these covenants and restrictions, we may be limited in how we conduct our business and we may be unable to raise additional debt or equity financing to compete effectively or to take advantage of new business opportunities. The terms of any future indebtedness we may incur could include more restrictive covenants. We cannot assure you that we will be able to maintain compliance with these covenants in the future and, if we fail to do so, that we will be able to obtain waivers from the lenders and / or amend the covenants. There are various limitations on our ability to incur the full \$ ~~275-375~~ million of commitments under our ABL Credit Agreement and borrowings under our ABL Credit Agreement are limited by a specified borrowing base consisting of a percentage of eligible accounts receivable and inventory, less customary reserves. In addition, under the ABL Credit Agreement, a monthly fixed charge maintenance covenant would become applicable during an event of default or if availability, as calculated under the ABL Credit Agreement, is at any time less than or equal to the greater of (i) 10.0 % of the lesser of the borrowing base and the maximum \$ ~~275-375~~ million of current revolving loan commitments (such lesser amount, the “ Line Cap ”) and (ii) \$ ~~19-25~~ million. As of December 31, ~~2023~~ **2024**, availability under the ABL Credit Agreement was approximately \$ ~~218-235.3~~ million or ~~86-10~~ % of the Line Cap. However, it is possible that availability, as calculated under the ABL Credit Agreement, could fall below the minimum threshold in a future period. If the covenant trigger were to occur, we would be required to satisfy and maintain on the last day of each quarter a fixed charge coverage ratio of at least 1.1x for the preceding four quarter period for which financial statements had been delivered. As of December 31, ~~2023~~ **2024**, our fixed charge coverage ratio was approximately ~~3-2.85x~~ **0x**. If and when the fixed charge coverage ratio were to be tested, our ability to meet the minimum fixed charge coverage ratio could be affected by events beyond our control, and we cannot assure you that we would meet this ratio at such time. A breach of any of these covenants could result in a default under the ABL Credit Agreement. Events beyond our control could affect our ability to meet these financial tests, and we cannot assure you that we will meet them. Our failure to comply with the covenants contained in our Credit Agreements or the indenture governing our outstanding notes, including as a result of events beyond our control, could result in an event of default that could cause repayment of the debt to be accelerated. If we are not able to comply with the covenants and other requirements contained in the indenture governing our outstanding notes, our Credit Agreements or our other debt instruments, an event of default under the relevant debt instrument could occur. If an event of default does occur, it could trigger a default under our other debt instruments, prohibit us from accessing additional borrowings, and permit the holders of the defaulted debt to declare amounts outstanding with respect to that debt to be immediately due and payable. Our assets and cash flow may not be sufficient to fully repay borrowings under our outstanding debt instruments. In addition, we may not be able to refinance or restructure the payments on the applicable debt. Even if we were able to secure additional financing, it may not be available on favorable terms. Credit rating downgrades could increase our borrowing costs or otherwise adversely affect us. Some of our outstanding indebtedness has received credit ratings from rating agencies. Our credit ratings could change based on, among other things, our results of operations and financial condition. Credit ratings are subject to ongoing evaluation by credit rating agencies and may be lowered, suspended or withdrawn entirely by a rating agency or placed on a “ watch list ” for a possible downgrade or assigned a “ negative outlook. ” Although our indebtedness does not include any triggers that would increase existing borrowing rates if there were a ratings downgrade, actual or anticipated changes or downgrades, including any announcement that our ratings are under review for a downgrade or have been assigned a negative outlook, could increase our future borrowing costs, which could in turn adversely affect our results of operations, cash flows and financial condition, and the trading price of our common stock. If a downgrade were to occur or a negative outlook were to be assigned, it could impact our ability to access the capital markets to raise debt and / or increase the associated costs. In addition, while our credit ratings are important to us, we may take actions and otherwise operate our business in a manner that adversely affects our credit ratings. An increase in interest rates could have a negative effect on our business. We have the ability to select the Secured Overnight Funding Rate (SOFR) as a benchmark rate at which outstanding obligations under the Credit Agreements are based. SOFR is a floating rate, subject to a minimum rate set in the Credit Agreements. As a result, we are exposed to risks associated with an increase in interest rates, including if the Federal Reserve raises interest rates as it has done and may continue to do so in the future. Any further increase in SOFR will increase the Company’ s debt service obligations, which could have a negative impact on the Company’ s cash flow, financial position or operating results, including cash available for servicing the Company’ s indebtedness, or result in increased borrowing costs in the future. We may utilize derivative financial instruments, such as interest rate swaps, to manage our interest rate risk. There can be no assurance, however, that increases in interest rates will not adversely affect our business, financial position and results of operations by causing an increase in interest expense. Significantly higher interest rates may also, among other things, reduce the availability and increase the cost of obtaining new debt and refinancing existing indebtedness. ~~We could suffer adverse tax and other financial consequences if taxing authorities do not agree with our tax positions. We are periodically subject to a number of tax examinations by state and U. S. federal taxing authorities. U. S. federal, state and local, are extremely complex and subject to varying interpretations. We recognize tax benefits of uncertain tax~~

positions when we believe the positions are more likely than not of being sustained upon a challenge by the relevant tax authority. In connection with our U. S. federal tax return for 2022, we took a tax deduction related to a worthless stock loss (creating net operating loss) in connection with the dissolution of one of our subsidiaries, Cellu-Tissue. During 2023, we entered into a post-filing agreement process with the U. S. tax authorities to resolve this position expeditiously. In connection with the 2022 return, we received a \$ 26 million refund associated with this position. Because of the uncertainty as to whether this position will be upheld through the post-filing agreement process, we have fully reserved for the estimated tax benefit associated with the deduction. If there are tax benefits, including, but not limited to, the worthless stock loss deduction or other tax attributes, that are challenged successfully by a taxing authority, we may be required to pay additional taxes or we may seek to enter into settlements with the taxing authorities, which could require significant payments or otherwise have an adverse effect on our business, results of operations and financial condition.

GENERAL RISK United States and global economic conditions could have adverse effects on the demand for our products and financial results. U. S. and global economic conditions and currency exchange rates have a significant impact on our business and financial results. Recessed global economic conditions and a strong U. S. dollar could affect our business in a number of ways, including causing declines in global demand for ~~consumer tissue and~~ paperboard, and increased competition from foreign manufacturers in the U. S. market. Foreign currency changes can also impact pricing associated with our raw materials such as pulp and equipment purchases, impacting our cost structure. Recent fluctuations in economic conditions and cycles may have adverse effects on our financial results. During ~~2023-2024~~, interest and inflation rates ~~have~~ increased significantly relative to recent years, although the impacts ~~were~~ **have been** felt to different extents, and the far extent of such increases remains to be seen. ~~These increasing~~ **Increasing** rates may materially affect our prices and the demand for our products. We may fail to attract, motivate, train and retain qualified personnel, including key personnel. Our ability to effectively run our business depends on our ability to attract, motivate, train and retain employees with the skills necessary to understand and adapt to the competitive markets in which we operate. The increasing demand for qualified personnel makes it more difficult for us to attract and retain employees with requisite skill sets, particularly employees with specialized technical and trade experience, and can increase our operating and overhead costs. Changing demographics and labor work force trends also may result in a loss of knowledge and skills as experienced workers retire. If we fail to attract, motivate, train and retain qualified personnel, or if we experience excessive turnover, we may experience declining sales, manufacturing delays or other inefficiencies, increased recruiting, training and relocation costs and other difficulties, which may negatively impact our results of operations, cash flows and financial condition. In addition, we rely on key executive and management personnel to manage our business efficiently and effectively. The loss of any of our key personnel could adversely affect our results of operations, cash flows and financial condition. Effective succession planning is also important to our long- term success. Our failure to identify candidates with the leadership skills to manage our organization, and our failure to ensure effective transfers of knowledge and smooth transitions involving key executives, could hinder our strategic planning and execution. Certain provisions of our certificate of incorporation and bylaws and Delaware law may make it difficult for stockholders to change the composition of our Board of Directors and may discourage hostile takeover attempts that some of our stockholders may consider to be beneficial. Certain provisions of our certificate of incorporation and bylaws and Delaware law may have the effect of delaying or preventing changes in control if our Board of Directors determines that such changes in control are not in the best interests of the ~~company~~ **Company** and our stockholders. The provisions in our certificate of incorporation and bylaws include, among other things, the following: • a classified Board of Directors with ~~three-year~~ staggered terms **(which shall cease to be classified after the 2027 annual meeting)**; • the ability of our Board of Directors to issue shares of preferred stock and to determine the price and other terms, including preferences and voting rights, of those shares without stockholder approval; • stockholder action can only be taken at a special or regular meeting and not by written consent; • advance notice procedures for nominating candidates to our Board of Directors or presenting matters at stockholder meetings; • removal of directors only for cause **(except for**; ~~• allowing only our~~ **Board of Directors** **directors elected following the 2025 annual meeting)** to fill vacancies on our Board of Directors; and • supermajority voting requirements to amend our bylaws and certain provisions of our certificate of incorporation. While these provisions have the effect of encouraging persons seeking to acquire control of the ~~company~~ **Company** to negotiate with our Board of Directors, they could enable the Board of Directors to hinder or frustrate a transaction that some, or a majority, of the stockholders might believe to be in their best interests and, in that case, may prevent or discourage attempts to remove and replace incumbent directors. We are also subject to Delaware laws that could have similar effects. One of these laws prohibits us from engaging in a business combination with a significant stockholder unless specific conditions are met.