

Interim Report

January – March 2022

“Higher prices and volumes”

Net sales

MSEK **1,992**

Operating profit from continuing operations

MSEK **481**

Profit for the quarter

MSEK **669**

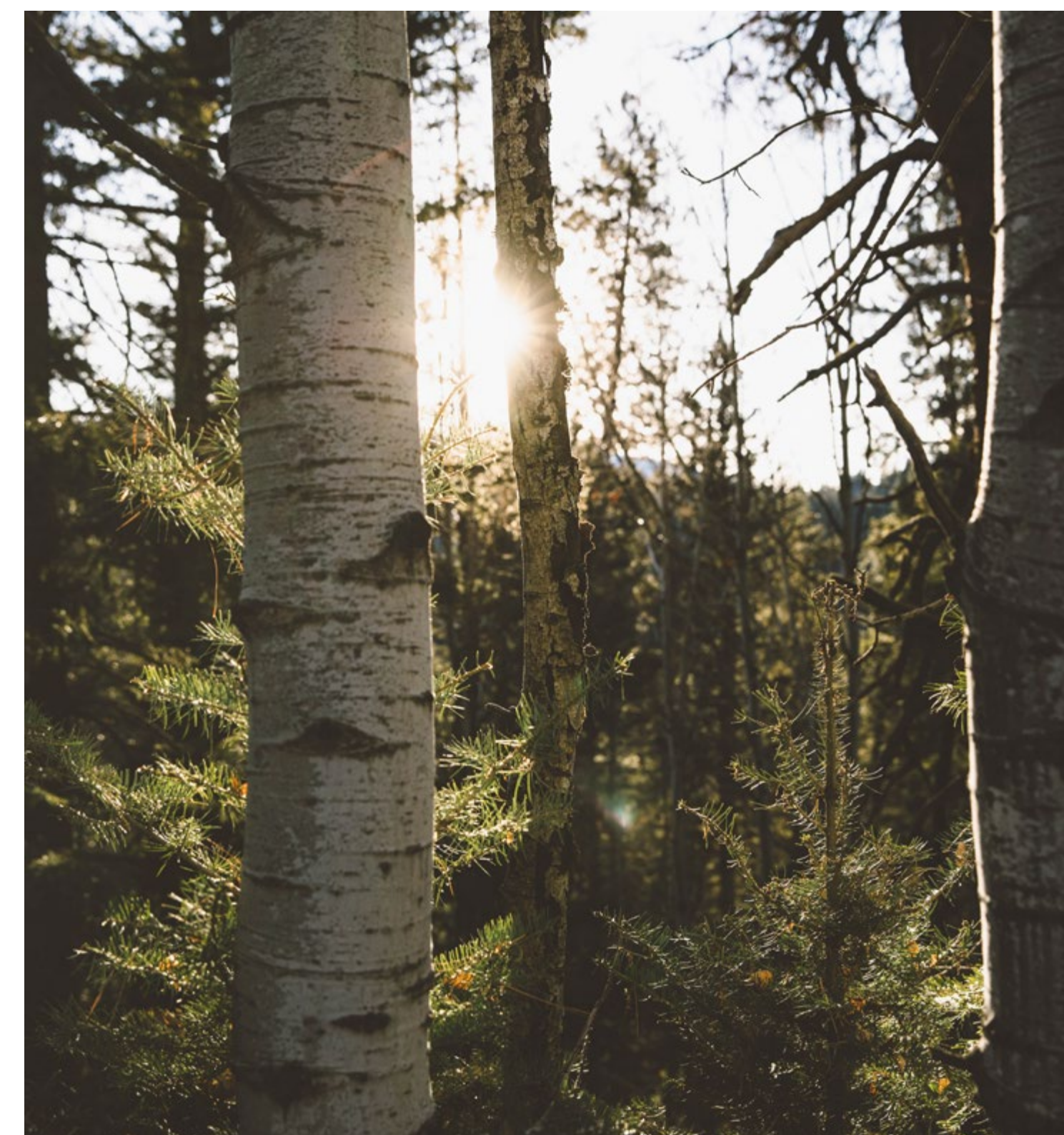


1 JANUARY – 31 MARCH 2022

- **Net sales increased by** 18 per cent to MSEK 1,992 (1,693). The total delivery volumes increased by four per cent while the prices of forest raw materials increased by an average of 12 per cent. Other income, mainly for leases and seedlings, increased by twopercent.
- **Operating profit** increased by 15 per cent and amounted to MSEK 481 (418). Higher timber prices and lease revenues from wind power have partially been offset by lower volumes from own forest and higher felling costs.
- **The reported net change in value** of standing timber amounted to MSEK 89 (118).
- **Profit for the quarter amounted** to MSEK 669 (480), equivalent to SEK 5.65 (4.05) per share.

SIGNIFICANT EVENTS

- The market situation for sawmills and pulp producers remains strong, resulting in stronger demand and rising prices.
- The war in Ukraine is affecting Sveaskog negative, mainly through increased fuels and spare parts costs.
- The operating profit for the quarter before change in the value of forest assets rose by 43 per cent to MSEK 717, of which net income from associates amounts to MSEK 233, with the Setra Group having the greatest impact.



MSEK	3 months, Jan – March			12 months		
	2022	2021	%	Apr 2021–Mar 2022	2021	%
Net sales	1,992	1,693	18%	7,219	6,920	4%
Operating profit from continuing operations	481	418	15%	1,404	1,341	5%
Share of profit/loss of associates	233	80	191%	820	667	23%
Change in value of forest assets	89	118	–25%	–225	–196	15%
Operating profit	806	619	30%	2,029	1,842	10%
Profit before tax	782	584	34%	1,907	1,709	12%
Profit for the period	669	480	39%	1,683	1,494	13%
Cash flow from operating activities	426	348	22%	1,111	1,033	8%
Earnings per share, SEK	5.65	4.05	40%	14.22	12.62	13%

KPIs¹, Group

	3 months, Jan – March		12 months	
	2022	2021	Apr 2021–Mar 2022	2021
Dividend yield, % (target at least 4.5%) ^{1,2}	3.2	2.4	3.2	2.9
Net debt/equity ratio, multiple (target 0.3–0.6) ¹	0.11	0.12	0.11	0.12
Return on Operating Capital, % ²	3.0	28.0	3.0	2.7
Return on equity, % ²	2.7	25.8	2.7	2.4
Interest coverage ratio, multiple ^{2,3}	18.1	7.6	18.1	15.1
Equity ratio, %	69	68	69	68
Net interest-bearing debt, MSEK	7,008	7,270	7,008	7,438
Average number of employees	758	778	758	825
Total delivery volume, thousand m ³ sub	2,963	2,855	10,789	10,682

1) The lower dividend yield and net debt/equity ratio are primarily due to a new accounting method for valuing forest assets.

2) Rolling 12 months.

3) Operating profit before change in value of forest assets excl. capital gains on property sales plus financial income divided by financial expenses.

About Sveaskog

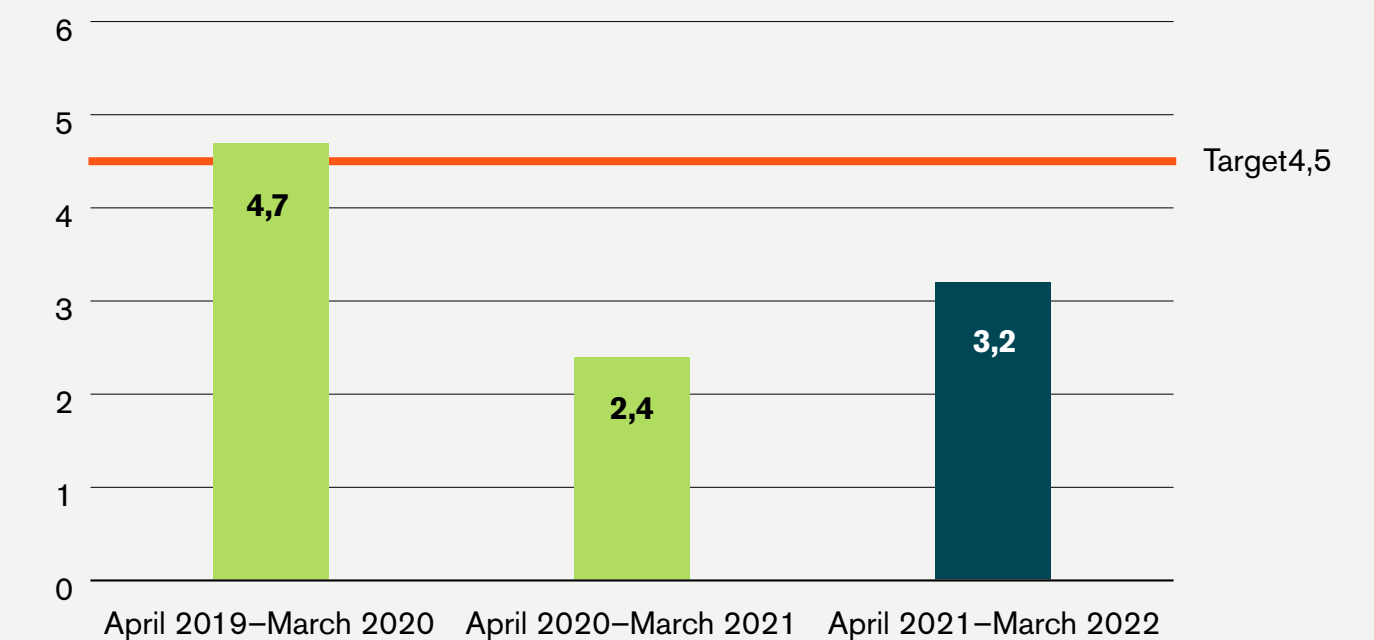
Sveaskog, a state-owned company, is the largest forest owner in Sweden. The company owns 14 per cent of Sweden's forests, operates in approximately 170 municipalities and has over 750 employees around the country. Sveaskog's core business is to manage the forest, and provide timber, pulpwood, wood chips, biofuel, seedlings and forest services. Sveaskog supplements the supply from its own forest with purchases from other forest owners, trading and imports. Our customers are primarily found within the Swedish forest industry, and they export all over the world. Sveaskog also deals in land and wind power and develops the forest as a place for fishing, hunting and other outdoor experiences.

Sveaskog wants to be a leader in the development of sustainable forestry. This involves, among other things, sustainable deliveries of renewable raw materials to our customers, and contributing to both Agenda 2030 and national environmental and climate goals. Sveaskog manages the forest with the ambition of developing economic, ecological and social values. Our forests are certified in accordance with both FSC and PEFC standards, and we require FSC Controlled Wood and Chain of Custody for all timber that we buy from other forest owners. This enables Sveaskog to ensure that all our timber deliveries are responsibly produced.

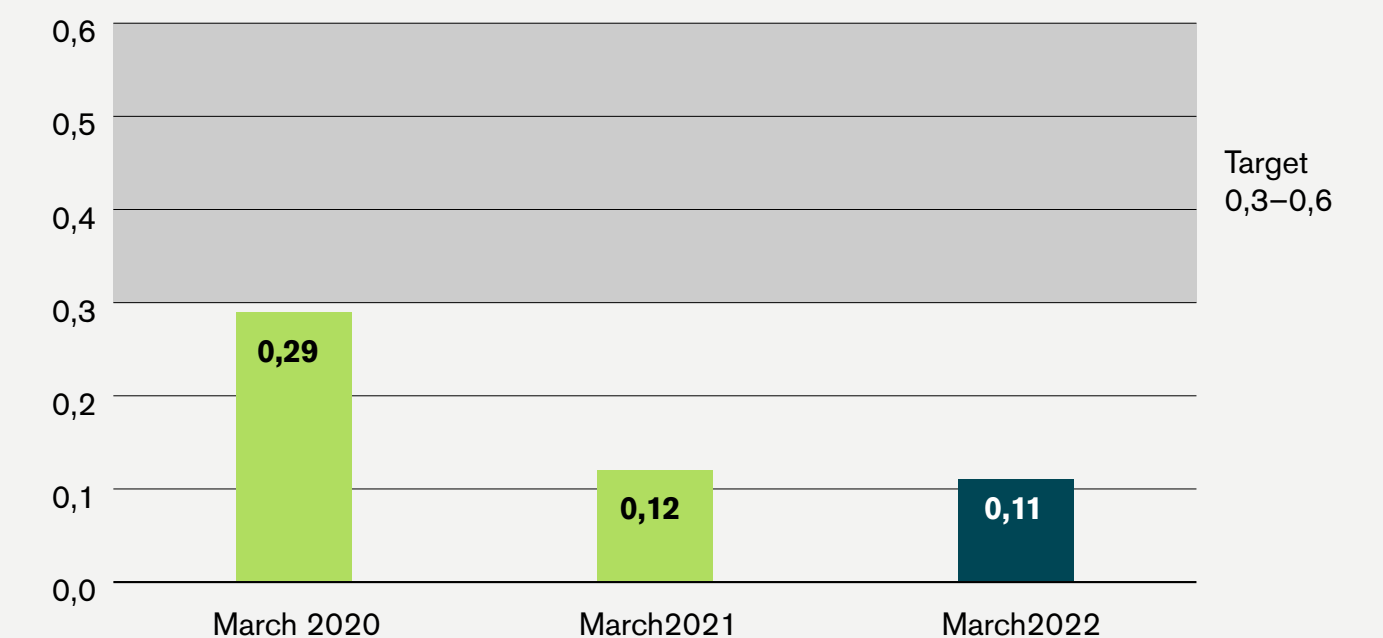


Sveaskog's financial targets

Yield, %, rolling



Net debt/equity ratio, multiple



The lower dividend yield and net debt/equity ratio are explained primarily by changes in the accounting method for the valuation of forest assets.

Dividend

According to current financial targets, ordinary dividends shall correspond in the long term to 65–90 per cent of the Group's profit after tax excluding changes in value of standing timber with no impact on cash flow. Dividends are paid provided that the capital structure target (net debt/equity ratio) after dividends falls within the target range and taking into account the Group's strategy and investment needs.

	2020	2021
Dividend, MSEK	850	1,300 ¹
Percentage of basis for dividends, %	89	88

¹) The Board's proposal for a dividend at the 2022 Annual General Meeting. To be paid out in 2022.

CEO's comments

Market situation in troubled times

The war in Ukraine is impacting on the markets in which the Swedish forest industry operates. The sanctions imposed on Russia have strangled timber exports from Russia to Europe, particularly as regards pulpwood and sawn wood products. The direct Russian timber flows to the Swedish forest industry are small, but Finnish industry has imported larger volumes which have now become unavailable, leading to a shortage of raw materials in the Baltic region. In spite of the unrest, the year has got off to a strong start in all of Sveaskog's market segments. Broad global interest in bio-based materials continues to have a positive impact as regards sawn timber products. For Sveaskog's customers in pulp and paper, market conditions remain strong. As a result of the disruptions to normal fibre resource flows, both new and existing customers have shown a strong interest in supplies from Sveaskog.

We are monitoring developments in Ukraine and analysing the commercial implications not only for Sveaskog, but also for our entrepreneurs. We are also reviewing the requirements that Sveaskog customers could impose on us as a timber supplier.

As a consequence of the war in Ukraine, the EU is making a clear

connection to the energy dependency on Russia, particularly as regards oil and gas. To reduce this dependency, there has been a sharp rise in the level of interest in the forest as an enabler of a more bio-based and self-sufficient economy.

Timber prices are rising

Demand for timber, pulp, paper and cardboard remains strong both in Sweden and in the rest of the world. Sawmills and the rest of the forestry industry are in urgent need of raw materials. As a result, prices for Sveaskog timber suppliers for both timber and pulpwood are now being increased throughout the country.

Sveaskog's deliveries are in great demand. These price rises are helping to further boost the profitability of forestry, and justifies a high level of activity in the forest, involving both regeneration felling and thinning.

Our operating profit for the period amounted to MSEK 481, an increase of 15 per cent, primarily as a result of higher timber prices. The average price of timber deliveries from our own forest is eleven per cent higher than the corresponding period last year; the timber prices are 17 per cent higher, while pulpwood prices remain unchanged. These price rises are being offset by higher felling costs and rising fuel costs.

Sustainable forestry for Sveaskog is being developed with FSC® certification

February saw the publication of the 2021 audit report analysing Sveaskog's performance with respect to the FSC forestry standard. Amongst other things, the report identifies major deviations as regards conservation value assessment and minor deviations regarding joint planning with the reindeer husbandry industry. The FSC forestry standard, the Forest Stewardship Council, is constantly evolving and raising the level of sustainable forestry. Both conservation value assessment and joint planning with the reindeer husbandry industry are very important to us. Of course, we take the results very seriously, and we are now learning lessons and improving our procedures. We want to proactively further develop the dialogue with all Sami villages regarding forestry planning in coexistence with reindeer husbandry. Sveaskog is currently implementing a raft of improvement processes based on the results of the audit. We feel confident about the higher level of ambition that the sustainable forestry programme entails for Sveaskog, and welcome the FSC audit as a challenge who continually improve our operations.

Svenska Skogsplantor strengthening sustainability and productivity at a nursery outside Kalmar

Thanks to a major initiative in the next generation of a new Conniflex production line, our business area Svenska Skogsplantor has improved the scope for more sustainable forestry, higher productivity. It leads to a better working environment at the Trekanten forest nursery outside Kalmar. Trekanten was the first in Sweden to introduce Conniflex, a treatment method which replaced insecticides in order to counteract the rapid spreading of the harmful large pine weevil through forest plantations, which causes hundreds of millions of Swedish kronor of damage every year.

We are equipping ourselves for the future

A long-term approach and value creation are important for a company like Sveaskog. The forestry sector is in transition, and we have a vital task ahead of us in developing the company. The forest will provide us with raw materials and energy which can contribute to a climate-neutral future, and the biodiversity of the forest landscape will be strengthened. At the same time, the forest is important for recreation, tourism, small businesses, as a bearer of cultural heritage and for a thriving reindeer industry. This is a great responsibility that we have at Sveaskog. We will make sustainable use of the forest by climate-adapting our forestry

”Continued strong market performance”

while at the same time creating growth. This is what our sustainable forestry programme is all about.

After the coronavirus pandemic relaxed its grip on Sweden and the spread of COVID-19 declined, Sveaskog has, like other companies, opened up its offices again and our employees have increasingly been able to return to the office. I have also had the pleasure of travelling around the country and meeting many of my colleagues, but I have also had meetings with customers, partners and stakeholders. I have learned a huge amount and had many productive discussions. Many thanks to all our colleagues, partners, customers and suppliers for their open discussions and vital input.

**Erik Brandsma
President and CEO**



Market situation and wood deliveries

Sveaskog conducts forestry operations and wood raw material trading. More than half of the wood raw material sold comes from its own forest, the remaining quantity is purchased from private and institutional forest owners. The main products are sawlogs, pulpwood, biofuel and wood chips. The majority of Sveaskog's customers come from the forest industry and the Swedish energy sector. The Swedish forest industry supplies markets across the world, although the European market is the most important. As paper and pulp, along with wood products, are traded in the global market, changes in supply, demand and flows in world markets have a significant impact on the Swedish forest industry.

The pulp market is continuing to develop strongly during the start of the year as a result of strong global demand. Despite the decline in demand for graphic paper, prices are rising as a decline in production capacity, partly due to a prolonged strike in Finland, is leading to a decrease in supply in the market. Demand and prices for Swedish sawn timber are once again gaining momentum. Timber markets globally will probably be severely affected by the sanctions against Russia, and changes in trade patterns must be expected. Stocks of sawlogs are at high levels, but most Swedish sawmills are concerned about the raw material situation. Market prices for timber were adjusted upwards across the country during the period.

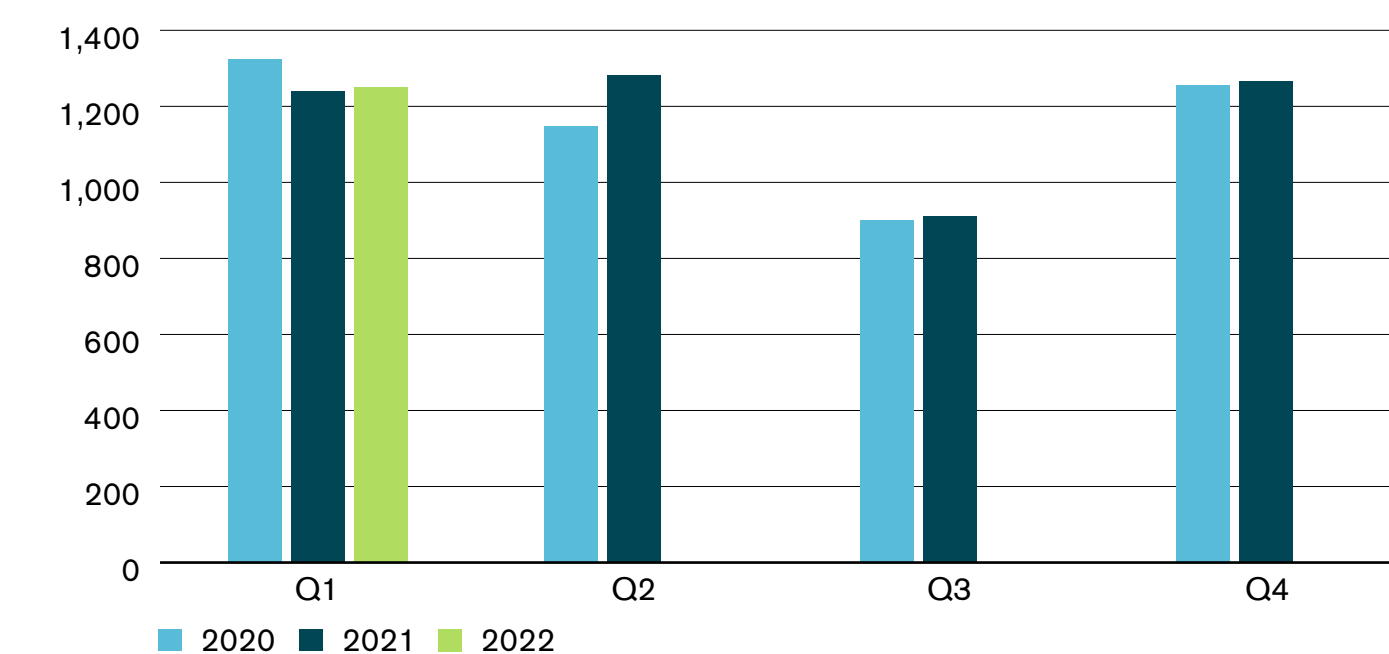
Sawmills

Early in the first quarter of this year, the negative trend of Swedish export prices continued for sawn timber products of both pine and spruce. As an example, export prices of spruce products fell by just over 20 percent from their peak in August 2021 to January this year.

Sveaskog's timber customers confirmed however, that the majority of the markets served by Swedish sawmills saw an upturn during the quarter. Germany, the MENA area and the domestic market are described as being particularly positive, while China is more sluggish.

Russian exports are primarily focused on China and Eastern Europe. About 10 percent of Russian exports reach the Western world, primarily Europe. In Sweden, the sawmills broke production records during 2021, and the strong market conditions are stimulating high production levels heading into 2022. Market prices for timber sourced from private forest owners have been adjusted upwards during the first quarter for the majority of operators and Sveaskog.

Delivery volume, sawlogs, thousand m³sub

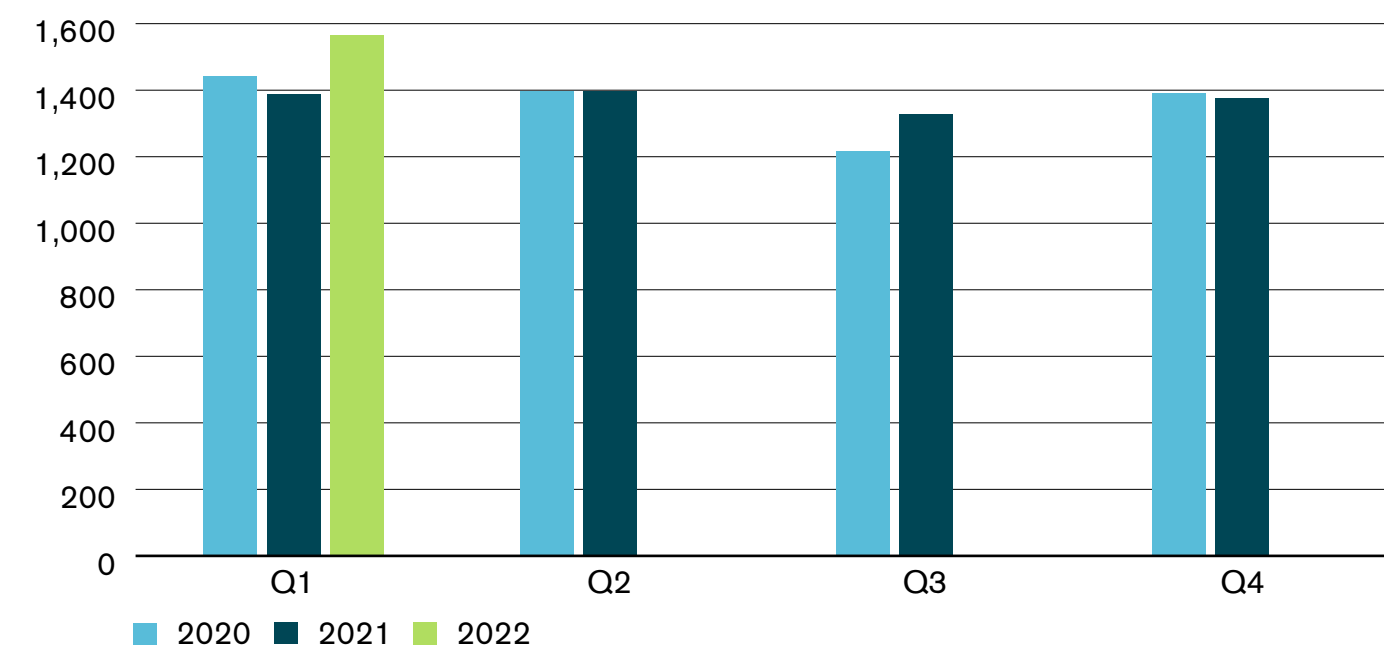


During the first quarter, Sveaskog delivered 1,250 thousand m³sub (1,240) of sawlogs, an increase of one per cent on the same period last year. For the period April 2021 to March 2022, deliveries totalled 4,712 m³sub (4,545).

Pulp and paper industry

Globally, demand for pulp was strong during the first quarter of the year, and prices have risen. The main market driver is demand in China. In terms of prices, printing paper has developed positively, despite a further decline in demand. The positive trend in prices is explained by the fact that production capacity has declined at a faster rate than demand. The supply situation for individual industries was of some concern during the first quarter. With the unrest in Europe, many of Sveaskog's customers are concerned about the availability of pulpwood during the rest of the year. Market prices for pulpwood purchases have been adjusted upwards during the quarter.

Delivery volume, pulpwood and woodchips, thousand m³sub

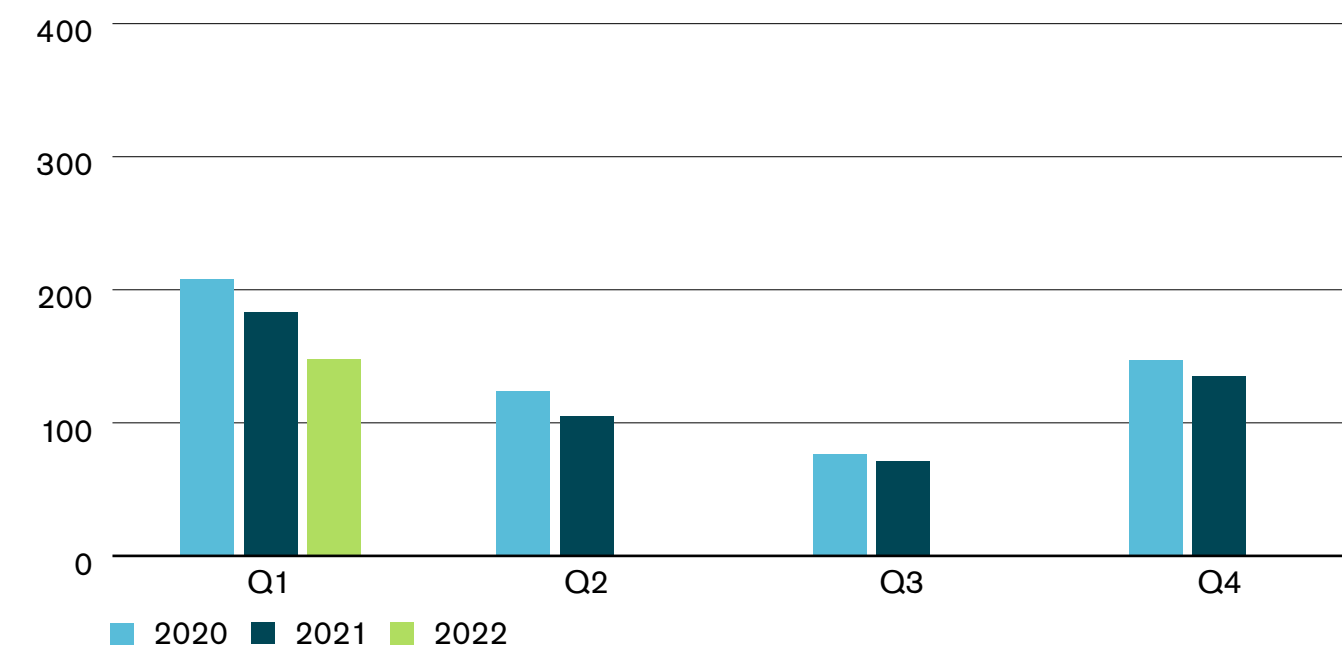


During the first quarter, Sveaskog delivered 1,565,000 m³sub (1,388,000) of pulpwood and woodchips, which represents an increase of 13 per cent on the same period last year. For the period April 2021 to March 2022, deliveries totalled 5,663 m³sub (5,391).

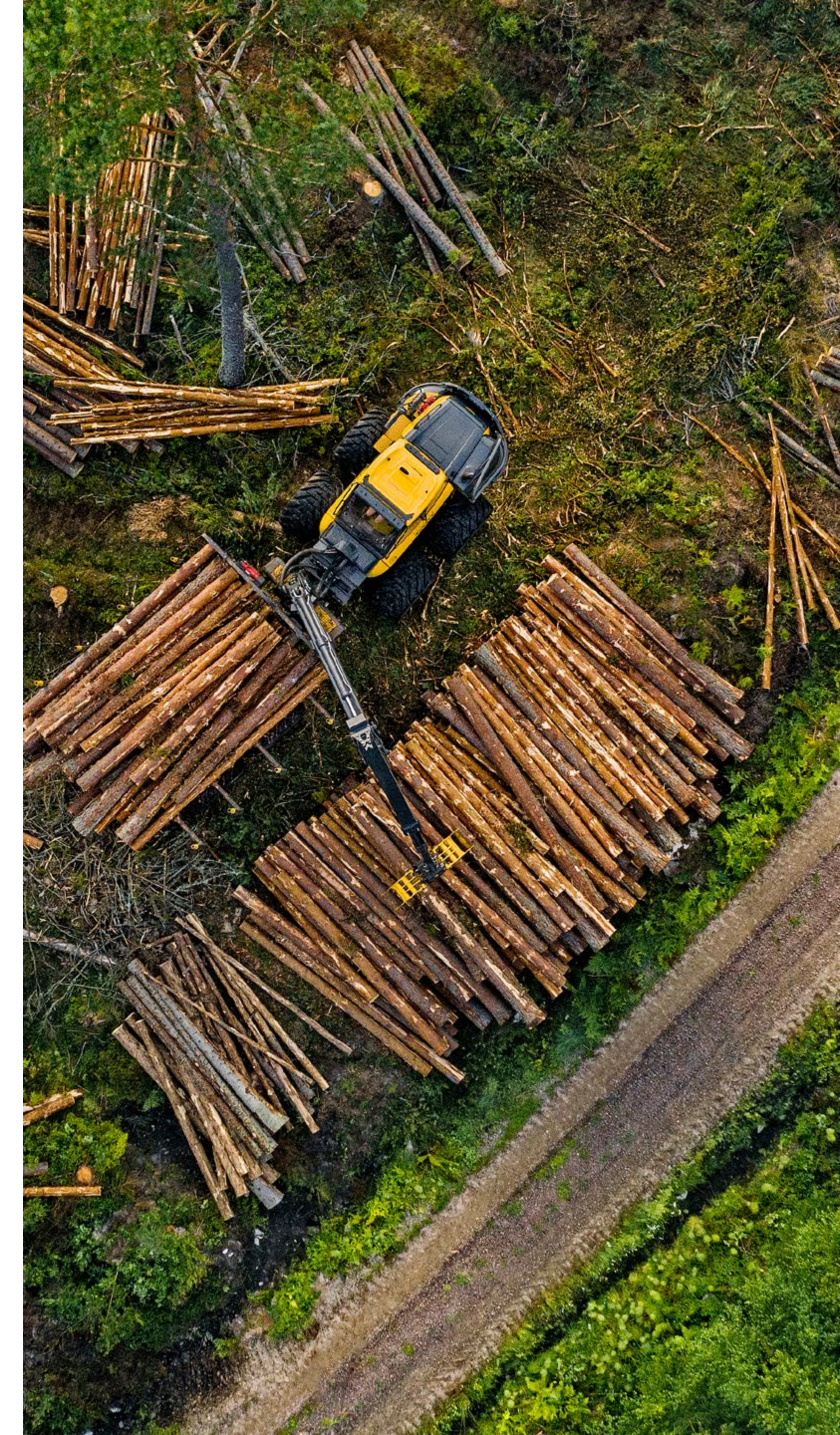
The biofuel market

The market for forest biofuel, such as GROT (branches and tree tops), is regional and local where the transport costs are high and the production costs are relatively low for biofuel. The forest biofuel market is significant in southern and central Sweden, but is more limited in northern Sweden. The customers for Sveaskog's biofuels are power and heating plants as well as the energy-producing forest industry. During the 2021/2022 heating season, the availability of biofuel in the form of sawmill by-products was good, as sawmills were operating at full capacity. The high level of fuel consumption amongst Sveaskog's customers has nevertheless led to numerous requests for extended supplies from Sveaskog. The energy situation in Europe ahead of the coming winter has already affected the market for wood pellets, with prices sharply rising as a result.

Delivery volume, biofuel, thousand m³sub



During the first quarter, Sveaskog delivered 148,000 m³sub (183,000) of biofuel, a fall of 19 per cent on the same period last year. For the period April 2021 to March 2022, deliveries totalled 459,000 m³sub (530,000).



Strategic goals for sustainable value creation

Sveaskog wants to be a leader in sustainable forestry with the ambition of spearheading the EU-wide strategy for biodiversity in Sweden. Sveaskog is aiming to make a strong contribution to attainment of Sweden's national environmental objectives, Agenda 2030 and the EU's climate, water and biodiversity targets. In order to achieve this aim, we have developed a long-term focus on sustainable forestry, which will be achieved through specific measures relating to the strategic goals for sustainable value creation: increased growth, increased timber harvesting and increased biodiversity - in both the short and the long term. As part of achieving the strategic goals, Sveaskog last year launched a sustainable forestry programme which focuses on three overarching areas of the forest landscape — the managed forests, the water in the forest, and the high conservation value forests. In order to achieve the strategic objectives, Sveaskog has identified a number of success factors where the sustainable forestry programme exists within the success factors “initiatives relating to forests and forestry” and “increased ecological values of our land holdings”.

Investments in forests and forestry

Sustainable forestry programme — The managed forests

Optimal plant choice for a changing climate

Sveaskog is increasing the proportion of deciduous trees in order to adapt forests to the climate of today and the future. One of the aims behind this is to increase the proportion of trees with greater resistance to harmful attacks of various kinds. During the quarter, we developed a new set of instructions for the management of processed birch as an aid for our employees. Processed European white birch grows very rapidly, and its care and maintenance differs little from that of naturally rejuvenated birch. Amongst other things, thinning intervals are shorter and the growth cycle is shorter.

During the first quarter, an analysis was presented which examined the success of mixing spruce and pine in a plantation by planting these tree species in alternate rows in order to create coniferous mixed forest. The results of the ten experimental stands in southern Norrland show that, after around ten years, there is an excellent mix of tree species and the species thrive together on these interfertile lands.

Selective-felling forestry in the managed parts of the most visited ecoparks

At the Omberg Ecopark, we felled 4 hectares of spruce forest through hatch felling in a checkerboard pattern. In the felled hatches, processed birch will now be planted during the spring. This forms part of a process of felling the spruce forest and increasing the area of deciduous forest at Omberg, increasing the value of the ecopark as regards biodiversity and accessibility for outdoor recreation. However, hatch felling in this type of older spruce forest can entail some risk. During the winter, we suffered storm damage in another area which was hatch-felled last autumn, and have therefore recently had to collect and process a significant number of wind-felled spruce in this area at a higher cost.

Initiative for a better coexistence with the reindeer industry

For better coordination and cooperation, we want to facilitate joint landscape planning in dialogue with the reindeer industry. Consultation with Sami villages is based on the digital tool samplanering.se. Training and implementation concerning samplanering.se, which facilitates joint planning from a landscape perspective, are continuing in partnership with the development firm Dianthus. During the quarter, both Sveaskog's own staff and representatives from 15 Sami villages attended the training.

More clearing and thinning in the reindeer husbandry area

Extended thinning of 46 hectares is being carried out in a number of areas, including in Norrgård outside Lycksele, on pine moors along the river Umeälven and along the coast at Nordmaling in northern Sweden.



Hatch-felling in spruce forest in the Omberg Ecopark carried out in March 2022.

Agenda 2030



Sweden's environmental quality objectives



Goal 1. Reduced Climate Impact, Objective 15. A Good Built Environment

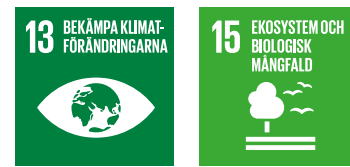
Increased ecological values of land holdings

Sustainable forestry programme – The water in the forest

During the winter and the first quarter of the year, preparations were made to continue the implementation of our wetland programme later in the year, by bringing together potential restoration projects. Discussions with various public authorities are continuing to optimise the wetland restorations.

Agenda 2030

Sweden's environmental quality objectives



Objective 8. Flourishing Lakes and Streams, Objective 11. Thriving Wetlands, Objective 14. A Magnificent Mountain Environment, Objective 16. A Rich Diversity of Plant and Animal Life

Sustainable forestry programme – High conservation value forests

Extended nature conservation programme

We continue to carry out nature conservation management in our high conservation value forests in order to maintain and develop ecological values. During the quarter, nature conservation management was carried out across an area of around 172 hectares. One example is the liberation cutting of old pines between Växjö and Åseda in the county of Kronoberg. Where there was previously a dense old spruce forest approximately 30 years old, there is now an forest consisting of large pines. Going forward, we expect this forest to be kept relatively open, to enable the blueberry bushes to develop. The forest is close to a lake which is popular for crayfish fishing. An excellent forest both for the people who visit the forest and for biodiversity. One species that we think can thrive in this forest is porodaedalea pini. In Sveaskog's high conservation value forests, we are particularly promoting forests with deciduous and hardwood trees, which many forest-inhabiting species need. Creating more natural deciduous forests benefits many species, including the white-backed woodpecker. At Rosfors Ecopark, southeast of Älvsbyn in the municipality of Piteå in Norrbotten county, this is something that Sveaskog is focussing on by transforming traditional production forest into

high conservation value forest. One step in this direction is to selectively remove spruce in order to create a forest of birch and aspen, which was carried out during the quarter in the ecopark. Another important aspect of this initiative is that branches and tops from the spruce have been selectively removed with the aim of preventing acidification of the soil, which in turn would disfavour the vascular plant flora (the flowers).

Continuity forests in northwest Sweden

Under the sustainable forestry programme, Sveaskog has previously communicated an intention to set aside all continuity forests in northwestern Sweden which are 140 years or more old. Sveaskog owns around 725,000 hectares in northwestern Sweden, almost 24 per cent of which has now been set aside for biodiversity. In the long term, around 18,000 hectares of continuity forests will be added which are not part of other initiatives such as the mountain forest package in the forestry bill or other existing proposed reserves. The work relating to continuity forests began in autumn 2021 and, by the New Year, a total of 2,100 hectares had already been identified and set aside as voluntary reserves. During the period, an additional approximately 1,200 hectares was also added.



Agenda 2030

Sweden's environmental quality objectives



Objective 8. Flourishing Lakes and Streams, Objective 11. Thriving Wetlands, Objective 14. A Magnificent Mountain Environment, Objective 16. A Rich Diversity of Plant and Animal Life



Top picture. Conservation management, i.e. liberation cutting so that old pines have light and space, in the forests between Växjö and Åseda.

Bottom picture. In Rosfors Ecopark, the environment is being enhanced to provide a suitable habitat for the white-backed woodpecker, amongst other species.



Strong partnerships and collaborations

Sveaskog's new finance company is strengthening the sustainable development of our contractors

Mid-February saw the launch of Sveaskog's new financial company, Sveaskog Finans AB, which will offer forestry contractors a tailored and competitive financing solution for forestry machinery — in all geographies. Sveaskog's dialogue with the industry often leads to a lack of funding opportunities being identified as an obstacle to commercial development. This particularly affects both young and new contractors in sparsely populated areas. We have great faith in the industry and want to meet this need by offering leasing and hire purchase schemes for forestry machinery. Sveaskog knows the industry and understands the everyday lives of these small businesses. It gives us a unique opportunity to offer solutions that are tailored to their needs, no matter where in the country they are.

The new financial company is creating the right conditions for forestry in line with Sveaskog's long-term strategy. Sveaskog Finans AB will enable more contractors to upgrade their fleets in order to make use of the most modern, efficient and environmentally friendly technologies. Through this initiative, we are contributing to the development of a more sustainable forestry.

Agenda 2030



A strong corporate culture

Trainee programme

Sveaskog has launched a new trainee programme for young people who want to work in sustainable forestry. We are targeting both those with a forestry education and those without. We are looking for young people who have a university college education within forestry, industrial economics, logistics and biology. Candidates can be either recent graduates or have a few years of professional experience behind them. We are looking forward to receiving many applications.

Agenda 2030



The Sveaskog Group

Condensed income statement

MSEK	3 months Jan—Mar		12 months	
	2022	2021	Apr 2021– Mar 2022	2021
Net sales (Note 1)	1,992	1,693	7,219	6,920
Other operating income (Note 1)	42	38	144	140
Raw materials and consumables	-644	-538	-2,236	-2,130
Change in inventories	4	68	37	101
Other external expenses	-727	-651	-3,020	-2,944
Staff costs	-148	-157	-590	-599
Depreciation	-38	-35	-150	-147
Operating profit from continuing operations	481	418	1,404	1,341
Capital gains on property disposals	3	3	30	30
Share of profit/loss of associates	233	80	820	667
Operating profit before change in value of forest assets	717	501	2,254	2,038
Change in value of forest assets (Note 2)	89	118	-225	-196
Operating profit	806	619	2,029	1,842
Financial items	-24	-35	-122	-133
Profit before tax	782	584	1,907	1,709
Tax	-113	-104	-224	-215
Profit/loss for the period/year	669	480	1,683	1,494
Earnings per share in SEK before and after dilution	5.65	4.05	14.22	12.62
– Calculated on average number of shares, million	118.4	118.4	118.4	118.4

Statement of comprehensive income

MSEK	3 months Jan—Mar		12 months	
	2022	2021	Apr 2021– Mar 2022	2021
Profit/loss for the period/year	669	480	1,683	1,494
Other comprehensive income				
<i>Components that will not be reversed in profit or loss</i>				
Change in value in land assets (Note 2)	0	0	2,957	2,957
Tax on change in value in land assets	0	11	-611	-600
Actuarial gains/losses relating to pensions	-	-	7	7
Tax on actuarial gains/losses	-	-	-1	-1
<i>Components that may be reversed in profit or loss</i>				
Exchange differences	1	1	1	1
Other comprehensive income from associates	27	-25	37	-15
Tax on other comprehensive income from associates	-6	6	-8	4
Cash flow hedges	33	13	53	33
Tax attributable to cash flow hedges	-7	-3	-11	-7
Total other comprehensive income for the period/year, net after tax	48	3	2,424	2,379
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR	717	483	4,107	3,873

The Sveaskog Group

Comments on the income statement

1 January – 31 March 2022

Net sales

Net sales increased by 18 percent to MSEK 1,992 (1,693). Total delivery volumes increased by four percent while the prices of forest raw materials increased by an average of 12 percent. Other income, mainly for leases and seedlings, increased by two percent. Sales of forest raw materials amounted to 2,963 thousand cubic meters (m³sub). It is five percent higher deliveries in comparison with the corresponding period last year, which amounted to 2,810,000 m³sub.

Earnings

Operating profit increased by 15 percent and amounted to MSEK 481 (418). The explanation for the improvement in earnings are increased timber prices. The average price of timber deliveries from own forests is eleven percent higher than the equivalent period last year. Higher timber prices and increased lease income from wind power have been partially offset by lower volumes from own forests and increased felling costs for input goods, e.g. fuels and spare parts.

Capital gains from the sale of properties amounted to MSEK 3 (3). The profit share in associated companies was to SEK M233 (80), where Setra Group has the largest profit share. Change in carrying amount for growing forest amounted to SEK M89 (118) net. After value change forest operating profit amounted to MSEK 806 (619). Financial Net items for the quarter amounted to SEK –24 million (–35). Profit before tax amounted to MSEK 782 (584). The tax amounted to SEK –113 million (–104). Profit for the quarter increased to MSEK 669 (480).

Change in net sales, MSEK

	Jan–Mar
2021	1,693
Price, wood raw materials	194
Delivery volume, wood raw materials	73
Concessions, seedlings and other sales	32
2022	1,992

Change in operating profit from continuing operations, MSEK

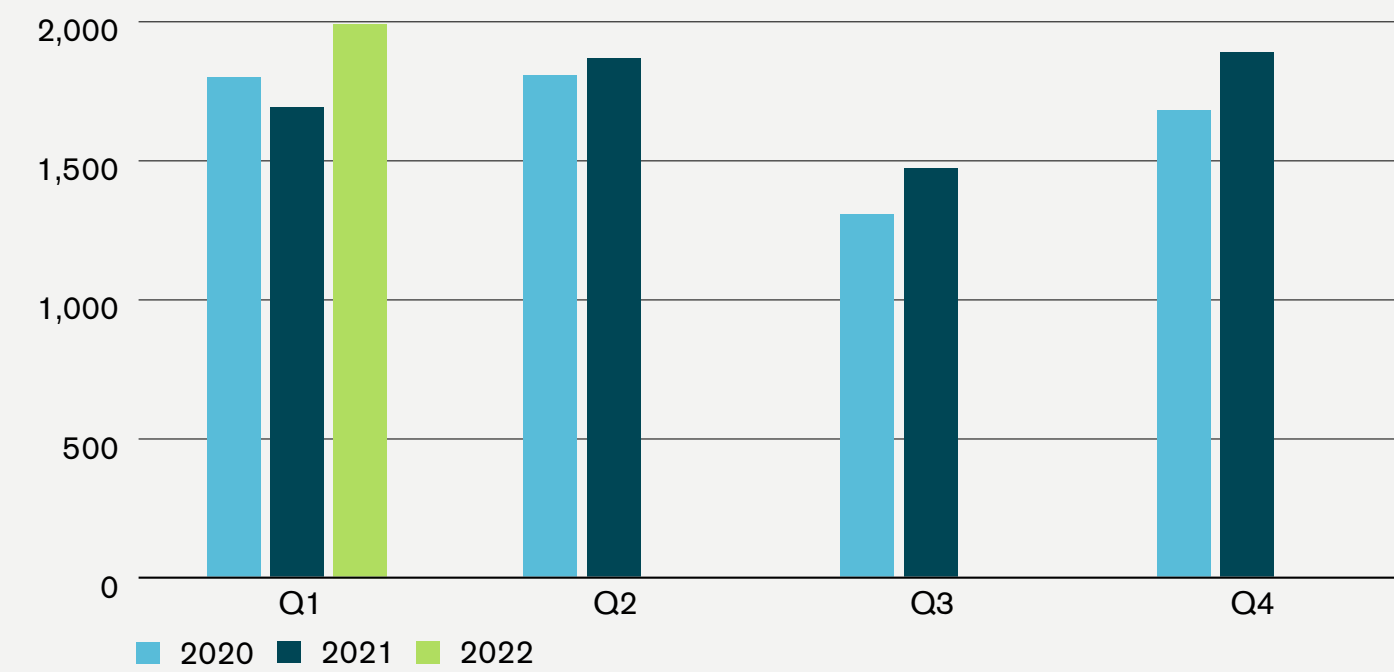
	Jan–Mar
2021	418
Price, own wood raw materials	80
Volume and change in inventories, own wood raw materials	–19
Unit cost felling	–34
Svenska Skogsplantor	14
Earnings from externally procured wood raw materials	4
Lease revenues, wind power	25
Other property transactions ¹	0
Other	–7
2022	481

1) Other property transactions relate to a combination of:

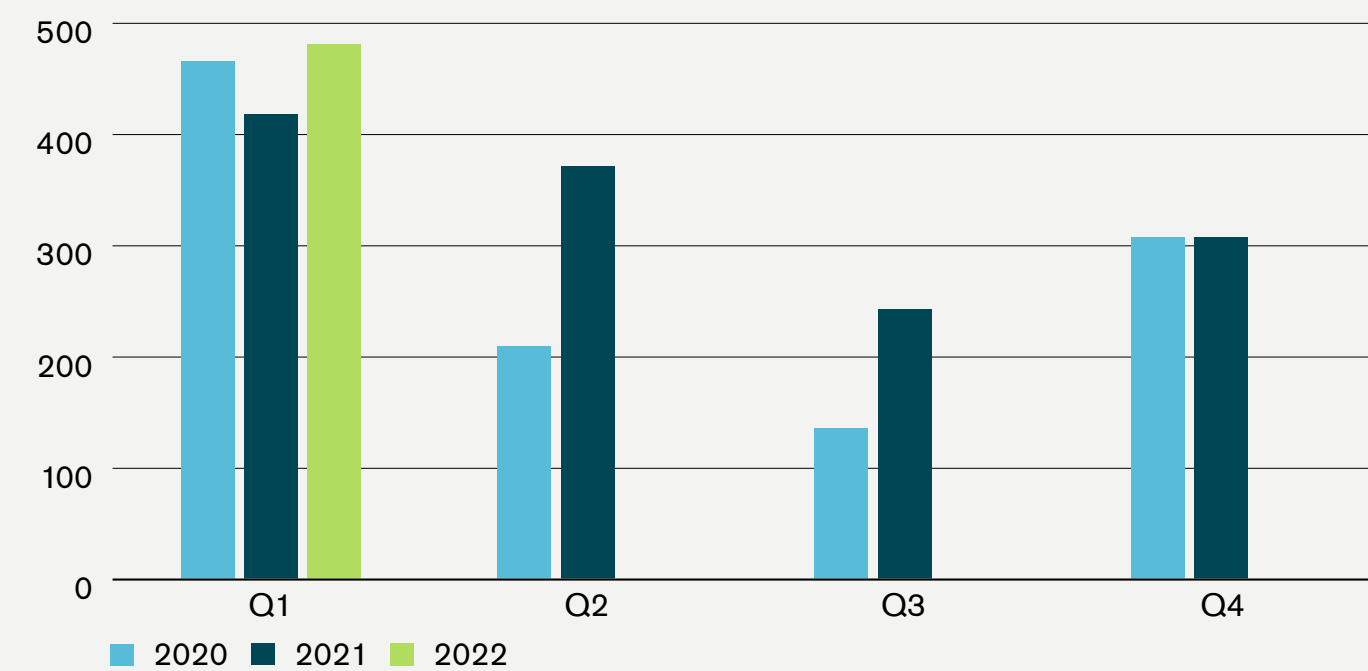
All future concessions	–2
Sale of non-forest land	2
Other property transactions	0

The Sveaskog Group

Net sales, MSEK



Operating profit from continuing operations, MSEK



The Sveaskog Group

Condensed balance sheet

MSEK	31 Mar 2022	31 Mar 2021	31 Dec 2021
ASSETS (NOTE 3)			
Non-current assets			
Intangible assets	160	170	165
Right-of-use assets	149	158	153
Forest assets (Note 2, 3)	85,572	82,615	85,430
– of which land assets	38,706	35,716	38,708
– of which biological assets	46,866	46,899	46,722
Other property, plant and equipment	587	588	588
Non-current financial assets, non-interest-bearing	1,662	851	1,415
Long-term interest-bearing receivables	5	4	5
Total non-current assets	88,135	84,386	87,756
Current assets			
Inventories	722	806	690
Contract assets	17	19	20
Current receivables etc., non-interest bearing	1,862	1,837	1,801
Cash and cash equivalents	1,416	1,613	1,171
Total current assets	4,017	4,275	3,682
TOTAL ASSETS	92,152	88,661	91,438
EQUITY AND LIABILITIES			
Equity	63,233	59,976	62,516
Non-current liabilities (Note 3)			
Interest-bearing liabilities and provisions	5,836	6,899	5,849
Other liabilities and provisions	18,814	18,169	18,729
Total non-current liabilities	24,650	25,068	24,578

MSEK	31 Mar 2022	31 Mar 2021	31 Dec 2021
Current liabilities (Note 3)			
Interest-bearing liabilities and provisions	2,593	1,988	2,765
Contract liabilities	0	0	0
Other liabilities and provisions	1,676	1,629	1,579
Total current liabilities	4,269	3,617	4,344
Total liabilities	28,919	28,685	28,922
TOTAL EQUITY AND LIABILITIES	92,152	88,661	91,438

Condensed statement of changes in equity

MSEK	Jan–Mar 2022	Jan–Mar 2021	Full year 2021
Opening equity, 1 January	62,516	59,493	59,493
Total comprehensive income	717	483	3,873
Dividend paid according to Annual General Meeting resolution	–	–	-850
CLOSING EQUITY AT END OF PERIOD/YEAR	63,233	59,976	62,516

The Sveaskog Group

Condensed cash flow statement

MSEK	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
Operating activities			
Operating profit	806	619	1,842
Non-cash items etc.	-332	-199	-604
Interest received, etc.	0	0	0
Interest paid	-24	-34	-140
Tax paid	-90	-107	-306
Cash flow from operating activities before changes in working capital	360	279	792
Changes in working capital	66	69	241
Cash flow from operating activities	426	348	1,033
Investing activities			
Investment in non-current assets	-35	-53	-230
Investments in shares and participations	0	-1	-6
Dividends from associates	0	-	24
Sale of non-current assets	38	44	185
Sale of shares	0	-	7
Increase in interest-bearing receivables	0	2	-1
Cash flow from investing activities	3	-8	-21
Financing activities			
Dividend paid	-	-	-850
Borrowings	1,600	2,450	5,950
Repayment of loans	-1,784	-2,408	-6,172
Cash flow from financing activities	-184	42	-1,072
CASH FLOW FOR THE PERIOD/YEAR	245	382	-60
Cash and cash equivalents at the beginning of the year	1,171	1,231	1,231
Cash and cash equivalents at the end of the period/year	1,416	1,613	1,171

Comments on the balance sheet and cash flow

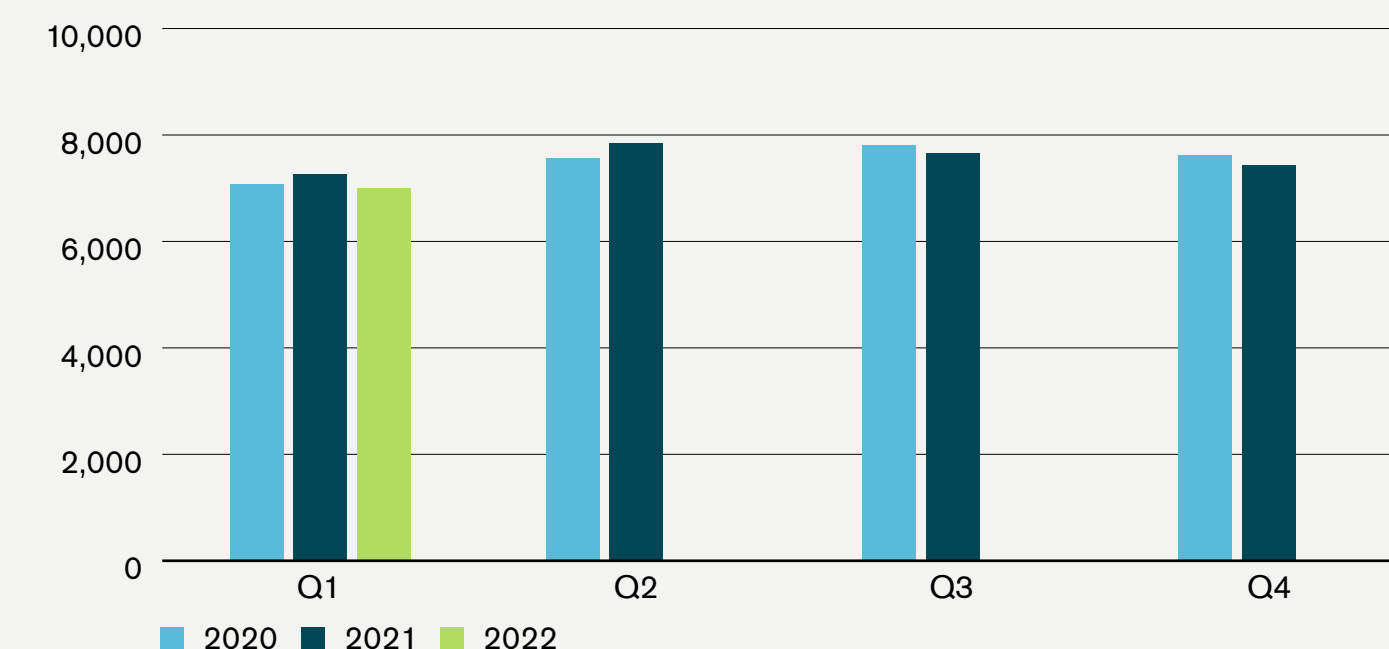
Cash flow from operating activities during the period was MSEK 426 (348). The increase is attributable to increased operating profit. Investments in non-current assets, mainly forest properties and forest machines, amounted to MSEK 35 (53) while investments in shares amounted to MSEK 0 (1). Sales of non-current assets, mainly forest properties, amounted to MSEK 38 (44).

Sveaskog's net interest-bearing debt amounted to MSEK 7,008 (7,270) at 31 March. At the end of the period, the loan portfolio consisted mainly of loans issued under Sveaskog's MTN programme and a Swedish commercial paper programme. The loan volume under the Swedish commercial paper programme amounted to MSEK 1,500 (1,350), which is refinanced on an ongoing basis. The outstanding volume under the MTN programme at 31 March was MSEK 6,040 (6,190), of which MSEK 4,900 (4,900) refers to green bonds. The lowest average net fixed interest period during the period was 28 months (28).

The net debt/equity ratio was 0.11 (0.12).

The interest coverage ratio was 18.1 (7.6) and the gross borrowing cost was 0.63 (1.36) per cent.

Net interest-bearing debt, MSEK



Parent Company

Condensed income statement

MSEK	3 months Jan—Mar		12 months	
	2022	2021	Apr 2021 – Mar 2022	2021
Operating income	12	18	47	53
Operating expenses	-1	-1	-3	-3
Operating profit	11	17	44	50
Financial items ¹	-44	-83	3,776	3,737
Profit/loss before appropriations and tax	-33	-66	3,820	3,787
Group contributions	-	-	379	379
Provisions to untaxed reserves	-	-	-75	-75
Profit before tax	-33	-66	4,124	4,091
Tax	7	14	-53	-46
PROFIT/LOSS FOR THE PERIOD/YEAR	-26	-52	4,071	4,045

1) In 2021, the parent company received dividends from subsidiaries.

Condensed balance sheet

MSEK	31 Mar 2022	31 Mar 2021	31 Dec 2021
ASSETS			
Non-current assets			
Tangible non-current assets	38	39	38
Total property, plant and equipment	38	39	38
Non-current financial assets			
Shares in Group companies	24,934	24,934	24,934
Receivables from Group companies, interest-bearing	800	800	800
Total non-current financial assets	25,734	25,734	25,734
Total non-current assets	25,772	25,773	25,772
Current assets			
Current receivables etc., non-interest bearing	4,077	8,242	4,450
Receivables from Group companies, interest-bearing	-	1,500	429
Cash and cash equivalents	0	0	0
Total current assets	4,077	9,742	4,879
TOTAL ASSETS	29,849	35,515	30,651
EQUITY AND LIABILITIES			
Equity	16,559	13,338	16,585
Untaxed reserves	232	157	232
Non-current liabilities			
Interest-bearing non-current liabilities	5,432	6,432	5,432
Total non-current liabilities	5,432	6,432	5,432
Current liabilities			
Interest-bearing liabilities and provisions	7,514	15,453	8,303
Other liabilities and provisions	112	135	99
Total current liabilities	7,626	15,588	8,402
TOTAL EQUITY AND LIABILITIES	29,849	35,515	30,651

Parent Company

Condensed statement of changes in equity

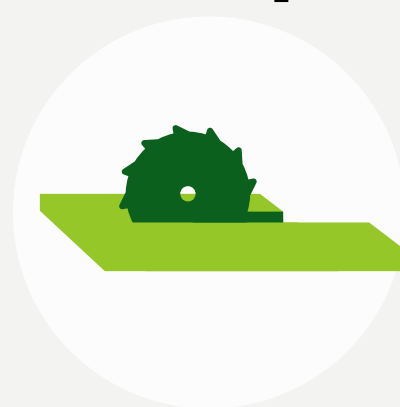
MSEK	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
Opening equity, 1 January	16,585	13,390	13,390
Dividend paid according to Annual General Meeting resolution	-	-	-850
Profit/loss for the period/year	-26	-52	4,045
CLOSING EQUITY AT END OF PERIOD/YEAR	16,559	13,338	16,585

Condensed cash flow statement

MSEK	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
Cash flow from operating activities	8	-724	8,269
Cash flow from investing activities	402	8	15
Cash flow from financing activities	-410	716	-8,284
CASH FLOW FOR THE PERIOD/YEAR	0	0	0
Cash and cash equivalents at the beginning of the year	0	0	0
Cash and cash equivalents at the end of the period/year	0	0	0

Sveaskog Group and associates

Setra Group AB



OWNERSHIP
50 per cent of the shares.

NET SALES (MSEK)
1,834

OPERATING PROFIT (MSEK)
480

SunPine AB



OWNERSHIP
25.1 per cent of the shares.

NET SALES (MSEK)
841

OPERATING PROFIT (MSEK)
223

ShoreLink AB



OWNERSHIP
24.1 per cent of the shares.

NET SALES (MSEK)
13

OPERATING PROFIT (MSEK)
1

SVEASKOG

Group

OWNERSHIP
Sveaskog is 100% owned by the Swedish state.

NET SALES (MSEK)
1,992

OPERATING PROFIT (MSEK)
806

Parent company

Sveaskog AB (Publ.), 100% owned by the Swedish state, owns and manages forest properties and shares in subsidiaries and is responsible for Group-wide financing. For Sveaskog AB (publ.), operating income for the period January–March amounted to MSEK 12 (18), of which MSEK 2 (7) was accounted for by capital gains from sales of forest land. The loss after financial items amounted to MSEK –33 (–66). The parent company's costs consist mainly of interest expenses. The company has no employees. Operating activities are carried out primarily in the subsidiary Sveaskog Förvaltnings AB.

Setra Group AB

Sveaskog owns 50 per cent of the shares in the wood products company Setra Group AB, which is classified as an associated company. The share of the associate's profit/loss is recognised in the consolidated income statement. Net sales for the period January – March totalled MSEK 1,834 (1,185). The operating profit amounted to MSEK 480 (177). The improvement is explained by high sales prices due to a strong market trend. Sveaskog's share of earnings in the company adjusted for intra-group profits increased by MSEK 123 to MSEK 188 (65). Sveaskog's share of Setra Group's other comprehensive income amounted to MSEK 21 (–19).

SunPine AB

Sveaskog owns 25.1 per cent of the shares of the biorefinery SunPine AB. The share of the associate's profit/loss is recognised in the consolidated income statement. Net sales for the period January – March totalled MSEK 841 (488). The operating profit amounted to MSEK 223 (85). The improvement in profit is primarily the result of strong market development. Sveaskog's share of the company's profit or loss increased to MSEK 44 (17).

ShoreLink AB

Sveaskog owns 24.1 per cent of the shares of the logistics and transport firm ShoreLink AB. The Group's income statement for 2022 reports the share of the associate's profit/loss for the period December 2021, while the figures for the previous year cover the period from December 2020 – February 2021. Net sales for this period amounted to MSEK 13 (62) and the operating loss for the same period amounted to MSEK 1 (–11). Sveaskog's share of the company's profit or loss amounted to MSEK 0 (–2).

Notes

ACCOUNTING POLICIES

The interim report for the Group is prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. Disclosures according to IAS 34 Interim Financial Reporting are provided both in notes and elsewhere in the interim report. For the parent company the interim report is prepared in accordance with the Annual Accounts Act, which is in accordance with the regulations in RFR 2 Accounting for Legal Entities. The parent company's and the Group's accounting principles and calculation principles for the report are unchanged from the most recent annual report. New or revised IFRSs and interpretations from IFRIC have not had any effect on the earnings or financial position of the Group or the parent company.

Amounts are stated in MSEK unless otherwise indicated. Figures in parentheses refer to the corresponding period in the previous year.

Forest assets

Accounting principles for forest assets are described in detail in Sveaskog's Annual Report 2021, Note 14 on pages 86-89. For the first quarter of 2022, see Note 2.

NOTE 1 REVENUES FROM CONTRACTS WITH CUSTOMERS

MSEK	Jan-Mar 2022	Jan-Mar 2021	Apr 2021- Mar 2022	Full year 2021
Sawlogs	981	854	3,525	3,398
Pulpwood and woodchips	789	682	2,813	2,706
Biofuel	43	53	124	134
Seedlings	10	9	340	339
Other	86	39	217	170
Total income from contracts with customers	1,909	1,637	7,019	6,747
Of which IFRS 15 in net sales	1,908	1,636	7,015	6,743
Lease income	84	57	204	177
Total net sales	1,992	1,693	7,219	6,920
Of which IFRS 15 in other operating income	1	1	4	4
Capital gains etc.	41	37	140	136
Total other operating income	42	38	144	140
Date of revenue recognition				
Goods and services transferred to customers on a specific date	1,904	1,633	6,904	6,633
Goods and services transferred to customers over time	5	4	115	114

Sveaskog has unfulfilled performance obligations for sales contracts with a term of more than 12 months of MSEK 8,571 (3,680). Sveaskog applies the practical exception of not disclosing the remaining performance obligations for

contracts with an original term of no more than one year in accordance with IFRS 15. The obligations consist of contracted deliveries forward in time, mainly for pulpwood but also for biofuel and seedlings, where Sveaskog has undertaken to deliver a certain volume per year. The value of these obligations is somewhat uncertain since the contracts consist of several delivery contracts where the price is renegotiated each year. Of the unsatisfied performance obligations of MSEK 9,297 (4,198) reported for last year, MSEK 730 (402) referred to January–March 2022.

NOTE 2 VALUATION OF FOREST ASSETS

The book value of Sveaskog's forest assets as of 31 March 2022 has been calculated at MSEK 85,572 (82,615), of which MSEK 46,866 (46,899) refers to the fair value of the standing timber and MSEK 38,706 (35,716) refers to the cost of the land. The change in the balance sheet since the previous year is MSEK 142 (185) and is shown below. The parameters included in the model for calculating the fair value are updated annually.

The forest assets are divided into standing timber and land assets. Standing timber is recognised as a biological asset according to IAS 41 Agriculture and forestry. Land assets are recognised as property, plant and equipment in accordance with IAS 16 Property, plant and equipment.

Significant judgements and estimates

Until Q3 2020, the market price or other comparable price was not used for forest assets, as there was a degree of uncertainty about the market price for assets of Sveaskog's size as no larger transactions had been performed in the market. A number of major forest land deals now shows that the value of larger forest assets per hectare or per cubic metre of forest generally lie at the same level as for smaller or medium forest assets.

In order to value the forest assets at fair value, the valuation is based on the sales transactions in the areas that Sveaskog owns forest assets. The valuation price consists of a five-year average that is multiplied by Sveaskog's current timber stocks in cubic metres of forest in the different areas.

In order to calculate the fair value of the biological assets – standing timber, the estimated cash flow from future income from timber extractions less felling costs has been discounted to a present value.

The calculation is performed for one production cycle which for biological assets Sveaskog estimates amount to an average of 100 years in northern Sweden and 80 years in southern Sweden. Cash flows are calculated on the basis of felling volumes according to Sveaskog's current felling plan and assessment of future price and cost development. Prices are based on a rolling ten-year average (2012–2021). In terms of cost development, the current standard cost (see model assumptions below) is applied. The inflation assumptions in the model are based on estimated future development during the valuation period. Cash flows before tax are discounted using an interest rate of 4.5 per cent (4.5), which is estimated to correspond to the long-term weighted cost of capital for this asset class. Sveaskog's Board of Directors assesses that this interest rate corresponds to the long-term cost of capital for an investment in forest assets and that is not affected by short-term fluctuations in market rates. In total, Sveaskog owns a volume of standing timber amounting to 278 million cubic metres of forest (277), which forms the basis for the valuation of the forest

Notes

NOTE 2 VALUATION OF FOREST ASSETS, contd.

assets. According to current felling estimates, which date from 2018 and are based on a forest optimisation model, felling will amount to approximately 6.3 million m³sub per year. This level is estimated to be relatively unchanged until 2033, to then be successively increased to approximately 6.8 million m³sub by 2063. The level is then expected to be increased further to 7.2–7.9 million m³sub. In 2021, approximately 54 per cent (54) of Sveaskog's own forest volume was sold as sawlogs to sawmills and 42 per cent (41) comprised pulpwood which was sold to the pulp and paper industry. Other volumes consisted of, for example, biofuel in the form of rejected branches and tree tops, which are primarily used as fuel wood; this volume is not included in the valuation.

The value of forest land consists of the residual of the value of the forest assets and the value of the biological assets – standing timber.

Model assumptions

Forest assets

The valuation price per cubic metre of forest in SEK is based on market prices that are published and compiled by Ludvig & Co. The prices are a five-year average (2016–2020).

Timber stocks per million cubic metres of forest are based on Sveaskog's forest registers and refer to the most recent (October 2021) calculation.

Biological assets

Income (timber prices) is based on prices from a ten-year average (2012–2021) and then an estimated development during the valuation period with a nominal price increase of 1.75 per cent (1.75) per year; this estimated development may, however, be adjusted when the company forecasts a deviating development in its long-term business plans.

For the production costs (felling costs), a current normal cost is applied that corresponds to the average of three years (outcome for the current year, the previous year and the budget for the coming year). These costs are based on an estimated development during the valuation years of 2.0 per cent (2.0) per year.

Sveaskog has set aside areas of productive forest land as nature conservation areas. These areas are not included in the value of forest assets.

Total forest assets and biological assets – standing timber

MSEK	31 March 2022	31 March 2021
Valuation price per cubic metre of forest in SEK	5-year average	5-year average
Timber stocks per million cubic metres of forest	Forest registers as of October 2021	Forest registers as of October 2020
Discount rate	4.50%	4.50%
Revenues	10 year average	10 year average
Nominal price increase	1.75% per year	1.75% per year
Costs	Normal cost ¹	Normal cost ¹
Nominal cost increase	2.00% per year	2.00% per year

1) Normal cost = outcome for the current year and the previous year as well as budget for the coming year.

Sensitivity analysis based on key measurement parameters and their impact on Sveaskog's forest assets is described in detail in Sveaskog's annual report for 2021 (Note 14, pages 86–89).

Forest assets

MSEK	
Opening value, 1 January 2021	82,430
Change during the year	185
Closing value, 31 March 2021	82,615
Deferred tax attributable to forest assets	16,945
MSEK	
Opening value, 1 January 2022	85,430
Change during the year	142
Closing value, 31 March 2022	85,572
Deferred tax attributable to forest assets	17,563

Notes

NOTE 2 VALUATION OF FOREST ASSETS, contd.

Biological assets

MSEK	
Opening value, 1 January 2021	46,721
Acquisition of standing timber	7
Sales of standing timber	-12
Changes due to harvesting	-347
Changes in fair value	530
Closing value, 31 March 2021	46,899
Opening value, 1 January 2022	46,722
Acquisition of standing timber	1
Sales of standing timber	-5
Changes due to felling	-347
Changes in fair value	495
Closing value, 31 March 2022	46,866

Forest land

MSEK	
Opening value, 1 January 2021	35,709
Acquisition of forest land	22
Sale of forest land	-15
Change in fair value	0
Closing value, 31 March 2021	35,716
Opening value, 1 January 2022	38,708
Acquisition of forest land	2
Sale of forest land	-4
Change in fair value	0
Closing value, 31 March 2022	38,706

NOTE 3 FAIR VALUE

The following table shows the Group's assets, liabilities and derivatives measured at fair value:

MSEK	Level 1		Level 2		Level 3	
	31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021
ASSETS						
Forest assets						
– Biological assets	-	-	-	-	46,866	46,722
– Forest land	-	-	-	-	38,706	38,708
Derivative instruments	-	-	30	5	-	-
Total assets	0	0	30	5	85,572	85,430
LIABILITIES						
Non-current liabilities	-	-	5,464	5,611	-	-
Current liabilities	-	-	2,505	2,655	-	-
Derivative instruments	-	-	0	40	-	-
Total liabilities	0	0	7,969	8,306	0	0

Valuation techniques used to calculate fair values in Level 2

Current liabilities (classification at acquisition date) are measured at book value including accrued interest which is assessed to provide a good approximation of the fair value. The fair value of non-current liabilities (classification at acquisition date) is established using valuation models such as discounting future cash flows at listed market interest rates for the respective term. Derivatives in level 2 consist of interest rate swaps recognised at market value or as hedge accounting. The measurement of the fair value of interest rate swaps is based on swap rates obtained from a financial information system and converted to a zero coupon curve for the measurement. Compared with 2021, no transfers have been made between the different levels in the hierarchy and no significant changes have been made to the measurement method, data used or assumptions.

Measurement techniques used to calculate fair values in Level 3

The valuation technique is shown in Note 2.

Issues

In January–March 2022, Sveaskog issued MSEK 1,600 (1,350) under the commercial paper programme and MSEK 0 (1,100) under the MTN programme.

Other information

Risks and uncertainties

For a description of risks, uncertainties and risk management, please refer to Sveaskog's 2021 annual report (pages 48–52). The war in Ukraine and the subsequent sanctions against Russia create increased fuel and spare parts costs, which increases the cost of felling. Sveaskog has a strong balance sheet and good liquidity. Sveaskog monitors the situation continuously and evaluates the effects. No other significant changes in addition to those mentioned in this year-end report have occurred since the publication of the annual report.

Significant events after the closing date

No significant events have occurred after the closing date.

Related-party transactions

No significant changes have occurred in relationships or transactions with related parties compared with what was described in the 2021 annual report.

I hereby confirm that this interim report provides a true and fair overview of the operations of the parent company and the Group, their financial position and performance, as well as a description of the material risks and uncertainties facing the parent company and the Group.

Stockholm, 27 April 2022
Sveaskog AB (publ.) (corp. ID no. 556558-0031)

Erik Brandsma

President and CEO

The report has been signed by the CEO on the authorisation of the Board of Directors.
The report has not been audited.



Quarterly overview for the Sveaskog Group

Income statements, MSEK

Quarterly overview	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3	2020 Q2
Net sales	1,992	1,888	1,472	1,867	1,693	1,681	1,307	1,808
Other operating income	42	61	8	33	38	25	8	25
Operating expenses	-1,515	-1,599	-1,201	-1,494	-1,278	-1,364	-1,141	-1,585
Depreciation/amortisation and impairment	-38	-42	-36	-34	-35	-34	-38	-38
Operating profit from continuing operations	481	308	243	372	418	308	136	210
Capital gains on property disposals	3	6	0	21	3	48	6	58
Share of profit/loss of associates	233	167	245	175	80	28	4	12
Operating profit before change in value of forest assets	717	481	488	568	501	384	146	280
Change in value of forest assets	89	-610	113	183	118	12,017	157	154
Operating profit	806	-129	601	751	619	12,401	303	434
Net financial income/expense	-24	-30	-36	-32	-35	-42	-40	-40
Profit before tax	782	-159	565	719	584	12,359	263	394
Tax	-113	67	-66	-112	-104	-2,527	-55	-82
Earnings	669	-92	499	607	480	9,832	208	312

Balance sheets, MSEK

Quarterly overview	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3	2020 Q2
Non-current assets, non-interest-bearing	88,130	87,751	85,191	84,783	84,382	84,149	38,648	38,491
Non-current receivables, interest-bearing	5	5	4	4	4	5	4	4
Inventories	722	690	602	601	806	708	563	484
Current receivables, non-interest-bearing	1,879	1,821	1,941	2,026	1,856	1,878	2,099	2,322
Cash and cash equivalents and interest-bearing receivables	1,416	1,171	937	1,028	1,613	1,231	978	836
Total assets	92,152	91,438	88,675	88,442	88,661	87,971	42,292	42,137
Equity	63,233	62,516	60,237	59,744	59,976	59,493	23,499	23,841
Non-interest-bearing liabilities	20,490	20,308	19,832	19,823	19,798	19,629	10,010	9,900
Interest-bearing liabilities	8,429	8,614	8,606	8,875	8,887	8,849	8,783	8,396
Total equity and liabilities	92,152	91,438	88,675	88,442	88,661	87,971	42,292	42,137

Performance measures

Financial KPIs	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3	2020 Q2
Dividend yield, % ^{1,2}	3.2	2.9	3.8	3.1	2.4	2.4	3.7	4.3
Net debt/equity ratio, multiple ¹	0.11	0.12	0.13	0.13	0.12	0.13	0.33	0.32
Equity ratio, %	69	68	68	68	68	68	56	57
Operating capital, MSEK	70,197	69,920	67,878	67,620	67,277	67,178	31,267	31,381
Return on equity, % ²	2.7	2.4	27.3	26.6	25.8	26.2	5.6	6.1
Return on operating capital, % ²	3.0	2.7	29.0	28.4	28.0	28.2	5.8	6.4
Capital turnover rate, operating capital, multiple	0.11	0.11	0.09	0.11	0.10	0.14	0.17	0.23
Interest coverage ratio, multiple ^{2,3}	18.1	15.1	12.7	10.1	7.6	7.6	7.9	9.4
Operating margin, %	40.4	-6.9	40.8	40.2	36.6	737.5	23.2	24.0
Net interest-bearing debt, MSEK	7,008	7,438	7,665	7,843	7,270	7,613	7,801	7,556
Average interest rate in loan portfolio, %	0.63	1.32	1.34	1.36	1.36	1.57	1.60	1.59
Average net fixed interest period, months	28	28	28	33	32	31	33	37

Other KPIs	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3	2020 Q2
<i>Investments, MSEK</i>								
Business acquisitions and investments in shares	-	0	0	5	1	0	0	0
Other investments	35	66	63	48	53	88	51	72
<i>Staff</i>								
Number of employees at the end of the period	713	711	705	709	712	713	705	699
Average number of employees	758	825	800	828	778	827	801	820

1) The lower dividend yield and net debt/equity ratio from 2020 Q4 and later are primarily due to a new accounting method for valuing forest assets.

2) Rolling 12 months.

3) Operating profit before change in value of forest assets excl. capital gains on property sales plus financial income divided by financial expenses.

Alternative KPIs and definitions

The company presents certain financial measures in the interim report that are not defined in accordance with IFRS. The company believes that these measures provide valuable additional information to investors and management, as they enable an evaluation of the company's performance. Since not all companies calculate financial metrics in the same way, these are not always comparable with the metrics used by other companies. These financial measures should therefore not be seen as a substitute for measures defined in accordance with IFRS. The following table presents metrics that are not defined in accordance with IFRS, unless otherwise stated.

Return on equity

Definition: Reported profit after tax expressed as a percentage of average equity. The Group's definition has not been changed since previous periods.

Comment: Sveaskog considers that the ratio measures the company's annual return on the capital invested in the business by the owner and thus shows how profitable the company is for its shareholders.

Return on equity	Apr 2021– Mar 2022	Apr 2020 – Mar 2021	Full year 2021
Equity OB	59,976	24,057	59,493
Equity CB	63,233	59,976	62,516
Average equity (OB + CB)/2	61,605	42,017	61,005
Profit for the year			
Divided by average equity	1,683	10,832	1,494
= Return on equity, %	61,605	42,017	61,005
	2.7%	25.8%	2.4%

Return on operating capital

Definition: Operating profit divided by average operating capital, excluding deferred tax. The Group's definition has not been changed since previous periods.

Comment: Sveaskog believes that the ratio gives a true and fair picture of the company's return excluding financial assets and financing choices.

Return on operating capital	Apr 2021– Mar 2022	Apr 2020 – Mar 2021	Full year 2021
Operating profit	2,029	13,757	1,842
Divided by average operating capital	68,737	49,189	68,549
= Return on operating capital, %	3.0%	28.0%	2.7%

Yield

Definition: Operating profit before change in value of forest assets, excl. capital gains on property sales, divided by average operating capital, excl. deferred tax. The Group's definition has not been changed since previous periods.

Comment: Dividend yield is one of Sveaskog's financial targets. The target is an average dividend yield of at least 4.5 per cent. The target reflects the return on Sveaskog's operating activities excluding the impact of forest valuations and temporary property sales.

Dividend yield	Apr 2021– Mar 2022	Apr 2020 – Mar 2021	Full year 2021
Operating profit before change in value of forest assets	2,254	1,311	2,038
Less capital gains on property disposals	-30	-115	-30
Subtotal	2,224	1,196	2,008
Operating capital OB	67,277	31,100	67,178
Operating capital CB	70,197	67,277	69,920
Average operating capital (OB + CB)/2	68,737	49,189	68,549
Subtotal as above	2,224	1,196	2,008
Divided by average operating capital	68,737	49,189	68,549
= Dividend yield, %	3.2%	2.4%	2.9%

The lower dividend yield and net debt/equity ratio are primarily due to a new accounting method for valuing forest assets.

Capital turnover rate

Definition: Net sales divided by average operating capital.

Earnings per share (defined in accordance with IFRS)

Definition: Profit for the year after tax divided by average number of shares during the year.

Net debt/equity ratio

Definition: Net interest-bearing debt divided by equity, calculated at the end of the year. The Group's definition has not changed compared to previous periods.

Comment: Net debt/equity ratio is one of the ratios for which Sveaskog defines financial targets. The target is a ratio in the range of 0.3–0.6. Sveaskog considers that the ratio reflects the scope for dividends and strategic investments as well as enabling assessments of the Group's ability to fulfil its financial obligations.

Net debt/equity ratio	Mar 2022	Mar 2021	Full year 2021
Net interest-bearing debt	7,008	7,270	7,438
Divided by equity	63,233	59,976	62,516
= Net debt/equity ratio, multiple	0.11	0.12	0.12

Operating capital

Definition: Total assets excluding interest-bearing assets, tax assets and assets held for sale minus non-interest bearing liabilities and deferred tax liabilities, all calculated at the end of the year. The Group's definition has not changed compared to previous periods.

Comment: Sveaskog calculates operating capital for the key ratios return on operating capital and average operating capital.

Operating capital	Mar 2022	Mar 2021	Full year 2021
Current receivables etc., non-interest bearing	1,862	1,837	1,801
– of which advances to suppliers	259	224	244
– of which tax assets	177	94	101
– of which trade receivables, loans and other receivables	1,426	1,519	1,456
Other current liabilities	1,676	1,629	1,579
– of which tax liabilities	133	125	67
– of which trade and other payables	1,543	1,504	1,512
Balance sheet total	92,152	88,661	91,438
Less interest-bearing assets (cash and cash equivalents)	-1,416	-1,613	-1,171
Less interest-bearing receivables (non-current)	-5	-4	-5
Less tax assets	-177	-94	-101
Less other liabilities and provisions (non-current)	-18,814	-18,169	-18,729
Less contract liabilities	0	0	0
Less trade and other payables	-1,543	-1,504	-1,512
= Operating capital, MSEK	70,197	67,277	69,920

Operating profit from continuing operations

Definition: Operating profit before change in value of forest assets, profit/loss of associate companies and capital gains from property sales.

Net interest-bearing debt

Definition: Interest-bearing liabilities less interest-bearing assets, all calculated at the end of the year. The Group's definition has not been changed since previous periods.

Comment: Sveaskog calculates net interest-bearing debt for the performance measure net debt/equity ratio.

Net interest-bearing debt	Mar 2022	Mar 2021	Full year 2021
Interest-bearing assets (cash and cash equivalents and non-current receivable)	1,421	1,617	1,176
Interest-bearing liabilities and provisions (non-current)	-5,836	-6,899	-5,849
Interest-bearing liabilities (current)	-2,593	-1,988	-2,765
= Net interest-bearing debt, MSEK	-7,008	-7,270	-7,438

Interest coverage ratio

Definition: Operating profit before change in value of forest assets excl. capital gains on property sales plus financial income divided by financial expenses. The Group's definition has not been changed since previous periods.

Comment: Sveaskog considers that the ratio shows the company's ability to cover its financial expenses (interest, etc.).

Interest coverage ratio	Apr 2021– Mar 2022	Apr 2020 – Mar 2021	Full year 2021
Financial items in the income statement	-123	-156	-133
– of which financial income	0	2	0
– of which financial expenses	-123	-158	-133
Operating profit before change in value of forest assets	2,254	1,311	2,038
Less capital gains on property disposals	-30	-115	-30
Plus financial income	0	2	0
Subtotal	2,224	1,198	2,008
Divided by financial expenses	123	158	133
= Interest coverage ratio, multiple	18.1	7.6	15.1

Operating margin

Definition: Operating profit expressed as a percentage of net sales.

Equity ratio

Definition: Equity divided by total assets, all calculated at the end of the year. The Group's definition has not been changed since previous periods.

Comment: Sveaskog considers that this performance measure shows how large a share of the company's assets is financed with equity and indicates the company's sensitivity to interest rate fluctuations.

Equity ratio	Mar 2022	Mar 2021	Full year 2021
Equity	63,233	59,976	62,516
Divided by total assets	92,152	88,661	91,438
= Equity ratio, %	69%	68%	68%

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Interim report July—September 2022
Year-end report 2022

15 July 2022
28 October 2022
January 2023

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