

Interim Report

January – March 2024

MSEK	3 months, Jan–Mar			12 months		
	2024	2023	%	Apr 2023– Mar 2024	2023	%
Net sales	2,170	2,151	1	7,882	7,863	0
Operating profit from continuing operations	593	562	5	1,459	1,429	2
Share of profit/loss in associates	–37	–6	517	–91	–60	52
Change in value in biological assets	31	305 ⁴⁾	–90	3,102	3,376	–8
Operating profit	583	863	–32	4,494	4,775	–6
Profit/loss before tax	515	816	–37	4,247	4,549	–7
Profit/loss from continuing operations	402	647	–38	3,370	3,616	–7
Profit/loss from operations subject to dividend	0	0	0	–54	–54	0
Profit/loss for the period	402	647	–38	3,316	3,562	–7
Cash flow from operating activities	232	218	6	1,001	987	1
Earnings per share, SEK	3.40	5.46	–38	28.01	30.08	–7

KPIs¹⁾, Group

MSEK	3 months, Jan–Mar		12 months	
	2024	2023	Apr 2023– Mar 2024	2023
Net debt/equity ratio, multiple (target 0.05–0.30)	0.11	0.11	0.11	0.11
Return on adjusted operating capital (excl. deferred tax), % (target >2.5%) ^{1) 2)}	3.3	4.5	3.3	3.3
Return on adjusted operating capital excluding equity participation in associates (& deferred tax), % (target >2.5%) ^{1) 2)}	3.6	3.8	3.6	3.6
Return on equity, % ²⁾	4.7	3.0	4.7	5.1
Interest coverage ratio, times ^{2) 3)}	4.9	11.1	4.9	5.3
Equity ratio, %	70	69	70	70
Net interest-bearing debt, MSEK	8,117	7,231	8,117	8,253
Average number of employees	877	815	816	880
Total delivery volume, thousand m ³ sub	2,229	2,567	8,592	8,930

¹⁾ Adjusted operating capital excludes the land value and the deferred tax payable on it.

²⁾ Rolling 12 months.

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

⁴⁾ See Note 2.

Continued good demand and high prices

“Timber prices at new record levels!”

1 January – 31 March 2024

- Net sales increased by 1 per cent to MSEK 2,170 (2,151). Timber prices increased by an average of 12 per cent, while delivery volumes decreased by 12 per cent. Other sales increased by 1 per cent and are mainly attributable to concessions, saplings and other sales.
- The average prices of deliveries from Sveaskog’s own forest increased by 19 per cent from the corresponding quarter of the previous year.
- Operating profit increased by 5 per cent and amounted to MSEK 593 (562). Higher timber prices have been offset by lower volumes from Sveaskog’s own forest, as well as slightly increased costs for felling and forest management.
- Share of profits of associates amounted to MSEK –37 (6).
- The reported net change in value of standing timber amounted to MSEK 31 (305¹⁾).
- Profit for the quarter amounted to MSEK 402 (647), equivalent to SEK 3.40 (5.46) per share.

¹⁾ The value is based on incorrect calculation parameters; restatement was made in the second quarter of 2023.



CEO's comments

Strong profit and continued investment in the future

“Sveaskog’s vision is to be the world leader in sustainable value creation in the forest”

We’ve had a good start to the year. Demand for timber is very good and, despite shrinking margins for sawmills, the price of Sveaskog’s timber increased during the quarter. The prices of market pulp have also risen, although the negative trend for packaging materials continues. Interest in biofuel deliveries remains very high and the positive trend in price levels for fuel chips and energy wood deliveries is continuing.

This market situation has had a positive impact on earnings. Operating profit for the first quarter of 2024 amounted to MSEK 593, which was 5 per cent higher than for 2023. The earnings impact of higher timber prices is partly offset by lower volumes from Sveaskog’s own forests and slightly increased costs for felling and forest management.

The average prices of deliveries from Sveaskog’s own forest increased by 19 per cent from the corresponding quarter of the previous year.

A new strategy

Last year, we carried out a major strategy initiative with broad internal involvement. Starting this quarter, we are working according to the new strategy to move towards being a more multi-faceted forest owner who actively manages and develops more assets in our land holdings.

Sveaskog's vision is to be the world leader in sustainable value creation in the forest. The way there can be described with our four strategic targets: Increased forest growth, Increased climate benefit, Development of biodiversity and ecosystem services and Increased sustainable returns. Our strategy aims to future-proof operations – thereby contributing to the long-term sustainability and competitiveness of domestic industry. With timber production as the main focus and through more varied forestry, we want to contribute to a significant and successful forest industry. In parallel, we are looking at how we can develop the use of our land for wind and solar power and for outdoor activities. We are also looking at different processing methods to convert branches and treetops (GROT) into biofuel. Perhaps in the future, we can also create increased value from the large carbon sink that our forest land represents.

High demand for green raw materials

The forest industry is one of Sweden's most influential industries and the need for green raw materials for industry is high, although the recession poses challenges. We were able to start the year by increasing the compensation to many of the country's private forest owners who sell timber to Sveaskog. As Sweden's largest forest owner, we are thereby strengthening the value of the domestic forest and contributing to the active forestry of private forest owners. We are proud to be able to process the raw material in geographical proximity to the area where it is harvested, thereby maintaining few and short transports.

Climate impact in the short and long term

Weather, wind and climate change affect us in both the short and the long term. This year's relatively cold winter has had both a positive and negative impact on the forest harvests. In the south, the cold has led to good bearing capacity on many lands that would otherwise have been difficult to use, while the low temperatures in the north have meant that the forest machines were periodically forced to stop working.

In the long term, changes in the climate pose challenges to forestry. In order to meet future challenges, the forests must become more varied

“As Sweden's largest forest owner, we are strengthening the value of the domestic forest and contributing to the active forestry of private forest owners.”

and the trees more resistant to various attacks. In January, we were able to announce that we have started a collaboration with the Forestry Research Institute of Sweden to ensure future access to seed and sapling material from Swedish deciduous trees. Historically, tree refinement has mainly concerned spruce and pine, but in order to meet the needs of the future, we need to be able to harvest several different types of tree species in different plant zones.

Rapid and secure establishment of saplings with high growth

In March, we were able to announce the next phase of the collaboration project Autoplant. The use of the forest requires sustainable methods with the rapid and secure establishment of saplings with high growth. The goal of Autoplant is to develop an autonomous system for scarification and planting with high precision, low environmental impact and a good working environment. We are pleased to be part of the consortium of researchers, producers and users from nursery to young forest working on this.

Wildlife stock and elk hunting

Another ongoing collaboration in research and development is the study “Wilderness monitoring in the wake of the fire”. The research study, which aims to investigate how the fire in 2018 in Ljusdal Municipality is affecting

forestry and wildlife, has been under way for three years. The results that we published in January show a thriving elk population after the forest fires in Hälsingland in 2018. Sveaskog and the Swedish University of Agricultural Sciences (SLU) are now continuing their research into the relationship between the supply of food, the number of elk and predator breeding. The study is expected to be completed at the end of 2026.

There is generally widespread commitment to the wildlife stock and elk hunting and the subject was widely debated during the quarter, especially in a debate forum where the elk administration and Äbin (i.e., the elk grazing inventory, which is a quality-assured method for inventorying wildlife damage in young forests) were discussed.

Political conditions and the reindeer husbandry

Another issue that continues to engage people is the reindeer husbandry. It is my hope that the debate on the reindeer husbandry's role in society is conducted honestly and openly and that it leads to greater clarity regarding the different perspectives involved. Clarity in the issue benefits the coexistence of the Sami and other land users.

Of course, the implementation of the EU regulatory framework on the protection of forest land for nature conservation or infrastructure development also affects the conditions for the forest industry and Sweden's other green industries.

Lastly, I would like to thank our partners, suppliers and customers – and of course all our dedicated employees for the good start to 2024.

Erik Brandsma
President and CEO

Market situation and wood deliveries

Sveaskog conducts forestry operations and wood raw material trading in Sweden. 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 is export-oriented and exports to markets across the world, although the European market is the most important. As paper and pulp and wood products are traded in the global market, changes in supply, demand and flows in world markets therefore have a significant impact on the Swedish forest industry. In the first quarter of 2024, Sveaskog experienced good demand for its entire product range with rising prices despite the fact that profitability was challenging among several of Sveaskog's customers. New business opportunities for Sveaskog's timber harvest are becoming increasingly evident, even with completely new players to the forest industry.

Sawmills

Swedish sawmill production fell in 2023 and the drop was particularly clear in the last quarter of the year. The lower production volumes for sawmills are partly due to worse economic conditions but also to an insufficient supply of timber. Official timber price statistics show that prices rose slightly in the first quarter of 2024, but that they remain at a historically high level. Several of Sveaskog's timber customers are confident about 2024, based among other things on the stocks of finished products being very low and several export markets showing stable demand. Many sawmills have identified raw materials shortages as a critical issue for their long-term survival. As result, secure deliveries from Sveaskog are highly valued. Despite shrinking margins for sawmills, the price of Sveaskog's timber increased in the first quarter of 2024. The demand for timber remains very good.

During the first quarter, Sveaskog delivered 841 (1,032) thousand m³sub of sawlogs, which is a decrease of 19 per cent from the same period last year. For the period April 2023 to March 2024, deliveries totalled 3,341 (4,155) thousand m³sub.

Pulp and paper industry

The prices of market pulp increased in the first quarter of the year, while the negative trend for packaging materials continued. The Swedish Forest Industries Association reports that Swedish deliveries of pulp and paper decreased by 10 per cent in 2023, compared with the previous year. The global market situation for pulp and paper stabilised in the first quarter of 2024, but demand remains relatively low, meaning that Swedish industry as a whole is not operating at full capacity. Nevertheless, the timber balances for the fibre industry are challenged due to a lower timber supply in Sweden and the end of timber imports from Russia to the Baltic Sea region.

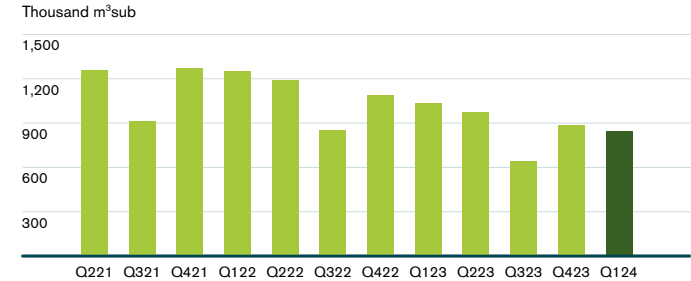
In the first quarter, Sveaskog delivered 1,232 (1,373) thousand m³sub of pulpwood and wood chips, which is 10 per cent lower than the same period last year. For the period April 2023 to March 2024, deliveries totalled 4,792 (5,347) thousand m³sub.

The biofuel market

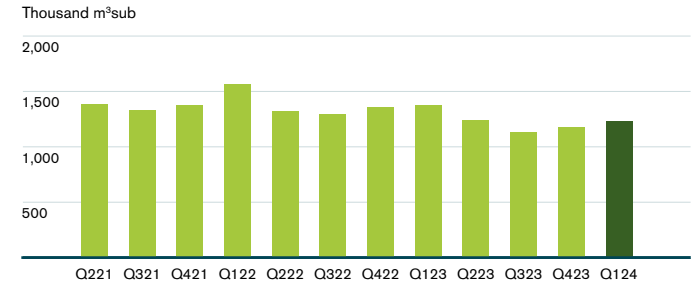
The market for forest biofuel, such as GROT (branches and treetops), is regional and local where the transport costs are high and the production costs are relatively low for biofuel. The forest biofuel market is significant in southern and central Sweden, but is more limited in northern Sweden. The customers for Sveaskog's biofuels are power and heating plants as well as the energy-producing forest industry. Interest in biofuel deliveries remains very high and price levels for fuel chips and energy wood deliveries continue to develop positively. Sveaskog's assessment is that the price levels on the energy range will also be good in the long term, which enables the extraction of GROT, among other things, in areas where it was not previously justifiable.

During the first quarter, Sveaskog delivered 155 (162) thousand m³sub of biofuel, a decrease of 4 per cent from the same period last year. For the period April 2023 to March 2024, deliveries totalled 459 (462) thousand m³sub.

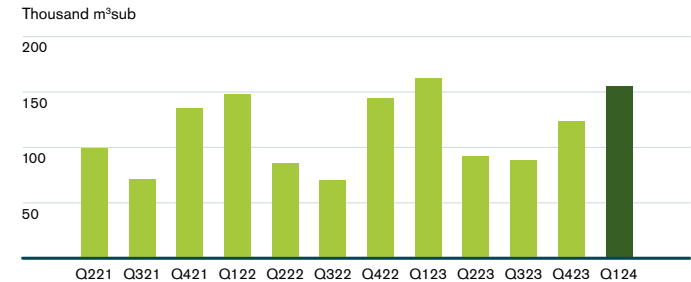
DELIVERY VOLUME SAWLOGS



DELIVERY VOLUME PULPWOOD AND WOOD CHIPS



DELIVERY VOLUME BIOFUEL



Strategic targets for sustainable value creation

Sveaskog’s vision is to be the world leader in sustainable value creation in the forest. The path to the vision can be broken down into four strategic targets.

Increased forest growth

Sveaskog is actively working to increase long-term growth in the company’s forests. Growth in the forest varies naturally with weather and season, but can be measured over the long term by gathering statistics from the National Forest Inventory’s data on Sveaskog’s land. Increased growth is made possible by number of forest management measures, such as biotope adaptation, use of good sapling materials and management methods adapted to changing climatic conditions.

Indicator	Outcome full year 2023	Outcome acc. March 2023	Outcome acc. March 2024	Target full year 2024	Target full year 2028
Thinning effect, %, acc.	N/A	N/A	79	85	85
Clearing index, % acc.	98	100	98.1	92.5	92.5
Restart damaged young forest ¹⁾ , number of hectares	1,289	0	25.6	829	2,389

¹⁾ The restart refers to Region Norrbotten and Västerbotten.

The above indicators are chosen, as measures in these areas have a major impact on achieving increased forest growth. Sveaskog monitors the thinning effect to ensure that the company’s thinning is carried out in a way that maintains high growth. It is still difficult to thin properly in trunk-dense stocks that often receive excessive harvesting. Extensive work is ongoing together with the company’s thinning teams on this. Sveaskog monitors the clearing index to ensure that we carry

out the clearing with the right quality and that we carry out the amount (area) of clearing that we have planned for the year. Clearing and scarification have started in Götaland and Svealand, where Sveaskog is ahead of the plan with good quality of work done. Other activities in increased forest growth are not applicable during the first quarter of the year due to the winter season.

See definitions on page 23

Increased climate benefit

Sveaskog’s climate impact consists of the emissions from our operations and value chain and the degree to which carbon is captured in the company’s forest and land. In addition, Sveaskog’s forestry is affected by the warmer climate with greater weather variation. Therefore, the company is actively working to reduce emissions from, for example, transport and forest machinery, and partly to adapt forestry so that the forest can continue to bind more carbon. At the same time, the company plans and adapts the forest to weather conditions, which lead, for example, to new conditions for felling and new pests.

Indicator	Outcome full year 2023	Outcome acc. March 2023	Outcome acc. March 2024	Target full year 2024	Target full year 2028
Share of fossil-free fuel, own teams, %	N/A	N/A	33.7	N/A	N/A

Work on the formulation of several objectives and indicators is ongoing and will be carried out until 2025. The above indicator will be followed in 2024 and is chosen because this is the area that we have the most opportunity to govern in the current year. The share of fossil-free fuels in own teams was 33.7 per cent in the first quarter.

As the reduction obligation for diesel went from 30.5 per cent to 6 per cent at the end of the year, the conditions for fuel-related carbon dioxide emissions have changed significantly. Sveaskog is therefore working to buy HVO100 for the company’s own teams. An increased share of fossil-free fuel is an important measure within the climate target, as 36 per cent of Sveaskog’s emissions are fuel-related emissions from felling, forest management and transport.

Strategic targets for sustainable value creation



Development of biodiversity and ecosystem services

As Sweden's largest forest owner, Sveaskog has a special responsibility to be a role model in the work on biodiversity and ecosystem services. The next ten-year period will focus on the restoration of habitats, including the management of areas set aside and the re-creation of deciduous forests and grazing. In addition, Sveaskog will particularly follow the development of some of the species most affected by forestry. The overall objective is to continue to strengthen biodiversity both in natural areas and in the production landscape.

Indicator	Outcome full year 2023	Outcome acc. March 2023	Outcome acc. March 2024	Target full year 2024	Target full year 2028
Nature conservation (extended area, ha)	1,020	158	152	1,560	N/A
Nature conservation burning (extended area, ha)	91	0	0	165	N/A
Restored wetlands (number of objects)	46	4	0	33	N/A

The strategic objective linked to biodiversity and ecosystem services will be prepared by 2025. As regards the area of restored habitats, all three of the above indicators will be included as important measures to create and restore new habitats. Therefore, these indicators will be reported in 2024.

The target for nature conservation is higher for 2024 than for 2023 and in the first quarter, the area carried out is well in line with the target set. No conservation burning was planned during the first quarter but five hectares have still been exposed to so-called point burning. A wetland was planned to be restored in the first quarter, but the project had to be postponed.

See definitions on page 23



Increased sustainable returns

Sveaskog wants to be a role model in value creation in forests and land. This means that the company needs to have a strong return over time while at the same time increasing the value of the forest. The way to achieve this is to focus on efficient production, focus on new business in land, energy and wood raw materials, and to ensure that today's returns do not take place at the expense of future forests and forestry.

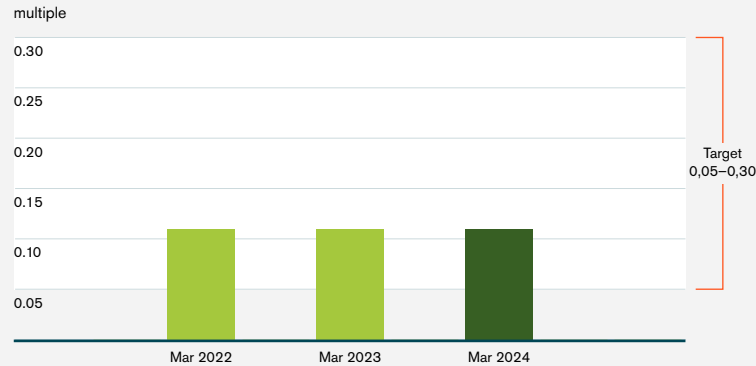
Indicator	Outcome full year 2023	Outcome acc. March 2023	Outcome acc. March 2024	Target full year 2024	Target full year 2028
Sales, other land transactions, MSEK, R12	305	313	312	295	336
Return on adjusted operating capital R12, %	3.3%	4.5%	3.3%	2.5%	2.5%

The earnings trend and financial performance indicators are described in more detail on the previous pages. The indicator "Sales, other land transactions" is chosen as it captures the growth of new business in the land and energy area. The outcome of sales from other land transactions on a rolling 12-month basis amounts to MSEK 312, which is in line with

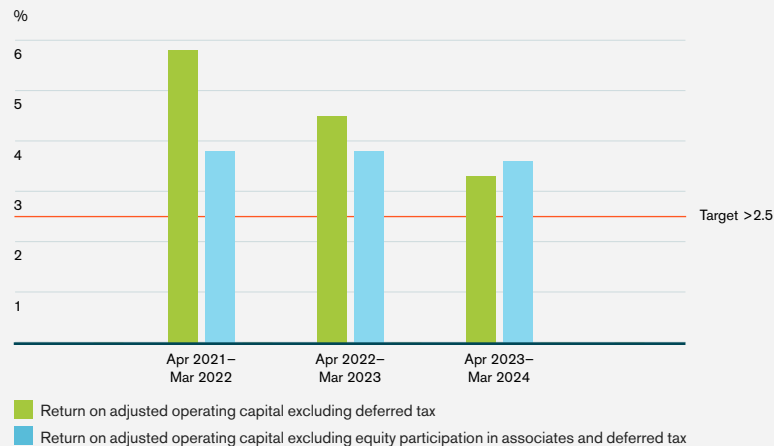
the previous year and slightly better than plan. Interest in solar energy is very high. At present, planning of 1,200 hectares of solar cell parks is under way with a capacity of approximately 1,000 MWh on Sveaskog's land. No installations are yet in operation. The goal is to significantly increase the number of concessions for solar power parks in the coming years.

Sveaskog's financial targets

NET DEBT/EQUITY RATIO



RETURN ON ADJUSTED OPERATING CAPITAL, ROLLING



Dividend

Sveaskog's current financial targets¹⁾. Ordinary dividends shall amount to between 70 and 100 per cent of the Group's profit after tax, excluding non-cash changes in value of standing timber and profit participation from associates. In addition, 100 per cent of the dividends received by the company in the previous year from the associated companies.

	2023	2024
Dividend, MSEK	2,138 ¹⁾	1,207 ²⁾
Percentage of basis for dividends, %	100	100

¹⁾ Cash dividend of MSEK 1,150 and the consolidated value of Ersättningsmark i Sverige 2 AB of MSEK 988.

²⁾ The Board's proposal to the Annual General Meeting.

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 170 municipalities and has around 800 employees throughout 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 throughout the entire world. In addition, Sveaskog makes land and alternative energy deals and develops the forest as a place for fishing, hunting and other nature experiences. Sveaskog shall be a leader in the development of sustainable forestry. This includes deliveries of renewable raw materials to our customers, as well as contributing to both Agenda 2030 and national environmental and climate targets. 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 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.

Vision

To be the world leader in sustainable value creation in the forest

Mission

Long-term management and returns from forests and land

Strategic targets

- Increased forest growth
- Increased sustainable returns
- Increased climate benefit
- Development of biodiversity and ecosystem services

The Sveaskog Group

Condensed income statement

MSEK	3 months, Jan–Mar		12 months	
	2024	2023	Apr 2023– Mar 2024	2023
Net sales (Note 1)	2,170	2,151	7,882	7,863
Other operating income (Note 1)	43	35	101	93
Raw materials and consumables	–757	–740	–2,695	–2,678
Change in inventories	70	53	166	149
Other external expenses	–720	–745	–3,161	–3,186
Staff costs	–171	–153	–670	–651
Depreciation/amortisation	–42	–39	–164	–161
Operating profit from continuing operations	593	562	1,459	1,429
Capital gains on property sales	–4	2	24	30
Share of profit/loss in associates	–37	–6	–91	–60
Operating profit before change in value in biological assets	552	558	1,392	1,399
Change in value in biological assets (Note 2)	31	305	3,102	3,376
Operating profit	583	863	4,494	4,775
Financial items	–68	–47	–247	–226
Profit/loss before tax	515	816	4,247	4,549
Tax	–113	–169	–877	–933
Profit/loss from continuing operations	402	647	3,370	3,616
Profit/loss from operations subject to dividend	–	–	–54	–54
Profit/loss for the period/year	402	647	3,316	3,562
Earnings per share in SEK before and after dilution	3.40	5.46	28.01	30.08
– calculated based 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	
	2024	2023	Apr 2023– Mar 2024	2023
Profit/loss for the period/year	402	647	3,316	3,562
Other comprehensive income				
<i>Components that will not be reversed in profit or loss</i>				
Change in value in land assets (Note 2)	0	–1	7,841	7,840
Tax on change in value in land assets	–9	6	–1,624	–1,609
Actuarial gains/losses relating to pensions	0	–	–14	–14
Tax on actuarial gains/losses	0	–	2	3
<i>Components that may be reversed in profit or loss</i>				
Translation differences	2	1	1	–1
Other comprehensive income from associates	–39	–25	–21	–5
Tax on other comprehensive income from associates	9	5	5	1
Change in fair value of cash flow hedges for the year	5	–7	–10	–22
Changes in the fair value of cash flow hedges transferred to profit or loss for the year	0	0	–6	–6
Tax attributable to cash flow hedges	–1	2	3	6
Total other comprehensive income for the period/year for remaining operations, net after tax	–33	–19	6,177	6,193
Change in value of land assets distributed as dividend (Note 2)	–	–	18	18
Tax on change in value in land assets distributed as dividend	–	–	–19	–19
Other comprehensive income from operations distributed as dividend	0	–19	–1	–1
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR	369	628	9,492	9,754

The Sveaskog Group

Comments on the income statement

1 January – 31 March 2024

Net sales Net sales increased by 1 per cent to MSEK 2,170 (2,151). Prices of wood raw materials increased by an average of 12 per cent, while total delivery volumes decreased by 12 per cent. Other sales increased by 1 per cent and are mainly attributable to concessions, saplings and other sales.

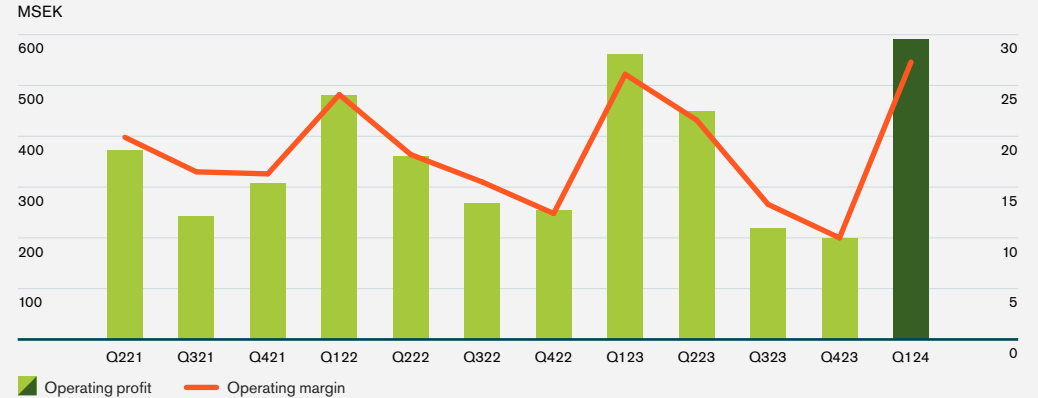
Sales of wood raw materials amounted to 2,229 (2,567) thousand cubic metres (m³sub).

Operating profit Operating profit increased by 5 per cent and amounted to MSEK 593 (562).

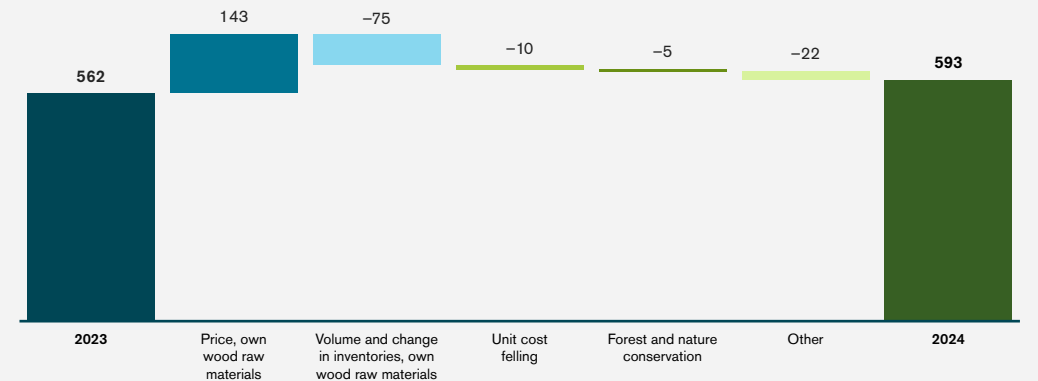
Higher timber prices and revenues from wind power concessions were offset by lower volumes from own forest and higher felling and forest management costs.

Capital losses from the sale of property amounted to MSEK 4 (gain: 2). Share of profits in associates amounted to MSEK –37 (–6). The net change in the reported value of standing timber amounted to MSEK 31 (305). After the change in value of forest assets, the operating profit amounted to MSEK 583 (863). Net financial items in the quarter were MSEK –68 (–47). Profit before tax amounted to MSEK 515 (816). Tax amounted to MSEK –113 (–169). Profit for the quarter decreased to MSEK 402 million (647).

OPERATING PROFIT FROM CONTINUING OPERATIONS



CHANGE IN OPERATING PROFIT, JANUARY–MARCH, MSEK



The Sveaskog Group

Condensed balance sheet

MSEK	31 Mar 2024	31 Mar 2023	31 Dec 2023
Assets (Note 3)			
Non-current assets			
Intangible assets	148	155	149
Forest assets (Note 2, 3)	100,291	89,139	100,221
– of which land assets	49,570	41,664	49,548
– of which biological assets	50,721	47,475	50,673
Other property, plant and equipment	722	600	704
Right-of-use assets	180	123	167
Non-current financial assets, non-interest-bearing	1,297	1,651	1,363
Long-term interest-bearing receivables	78	30	72
Total non-current assets	102,716	91,698	102,676
Current assets			
Inventories	768	716	693
Tax assets	134	72	82
Trade receivables	1,805	1,489	1,581
Other receivables	536	471	389
Cash and cash equivalents	689	1,072	538
Assets held for dividend ¹⁾	–	651	–
Total current assets	3,932	4,471	3,283
TOTAL ASSETS	106,648	96,169	105,959

¹⁾ Assets held for dividend refer to the consolidated value of Ersättningsmark I Sweden 2 AB, which was subject to dividend to the owner in December 2023, as decided by the Swedish Parliament.

MSEK	31 Mar 2024	31 Mar 2023	31 Dec 2023
Equity and liabilities			
Equity	74,174	66,820	73,808
Non-current liabilities (Note 3)			
Interest-bearing liabilities and provisions	5,842	4,700	5,848
Lease liabilities, non-current	139	91	128
Other liabilities and provisions	21,707	19,277	21,679
Total non-current liabilities	27,688	24,068	27,655
Current liabilities (Note 3)			
Interest-bearing liabilities and provisions	2,854	3,508	2,841
Leasing liabilities, current	48	34	46
Tax liabilities	205	271	110
Trade payables	1,175	958	1,090
Other liabilities and provisions	504	381	409
Liabilities attributable to assets held for dividend	–	129	–
Total current liabilities	4,786	5,281	4,496
Total liabilities	32,474	29,349	32,151
TOTAL EQUITY AND LIABILITIES	106,648	96,169	105,959

Condensed statement of changes in equity

MSEK	Jan–Mar 2024	Jan–Mar 2023	Full year 2023
Opening equity, 1 January	73,808	66,192	66,192
Total comprehensive income	369	628	9,754
Dividend paid according to Annual General Meeting resolution	–	–	–2,138
CLOSING EQUITY AT END OF PERIOD/YEAR	74,174	66,820	73,808

The Sveaskog Group

Condensed cash flow statement

MSEK	Jan–Mar 2024	Jan–Mar 2023	Full year 2023
Operating activities			
Operating profit	583	862	4,775
Non-cash items, etc.	10	-280	-3,197
Interest received, etc.	5	5	39
Interest paid	-74	-52	-255
Tax paid	-53	-64	-262
Cash flow from operating activities before changes in working capital	471	471	1,100
Changes in working capital	-238	-253	-113
Cash flow from operating activities	233	218	987
Investing activities			
Investment in non-current assets	-101	-37	-634
Investments in shares and participations	0	-3	-7
Dividends from associates	0	0	266
Sale of non-current assets	23	25	117
Sale of shares and participations	0	0	0
Change in interest-bearing receivables	-6	-15	-57
Cash flow from investing activities	-84	-30	-315
Financing activities			
Dividend paid ¹⁾	-	-	-1,481
Borrowings	1,500	1,400	6,800
Repayment of loans	-1,498	-1,315	-6,252
Cash flow from financing activities	2	85	-933
CASH FLOW FOR THE PERIOD/YEAR	151	273	-261
Cash and cash equivalents at the beginning of the year	538	799	799
Cash and cash equivalents at the end of the period/year	689	1,072	538

¹⁾ Cash dividend MSEK 1,150 and cash and cash and cash equivalents in Ersättningsmark I Sverige 2 AB of MSEK 331.

Comments on the balance sheet and cash flow

Cash flow from operating activities during the period was MSEK 233 (218). The increase is mainly due to changes in working capital. Investments in non-current assets, mainly forest properties and forest machines, amounted to MSEK 101 (37) while investments in shares amounted to MSEK 0 (3). -Sales of non-current assets, mainly forest properties, amounted to MSEK 23 (25).

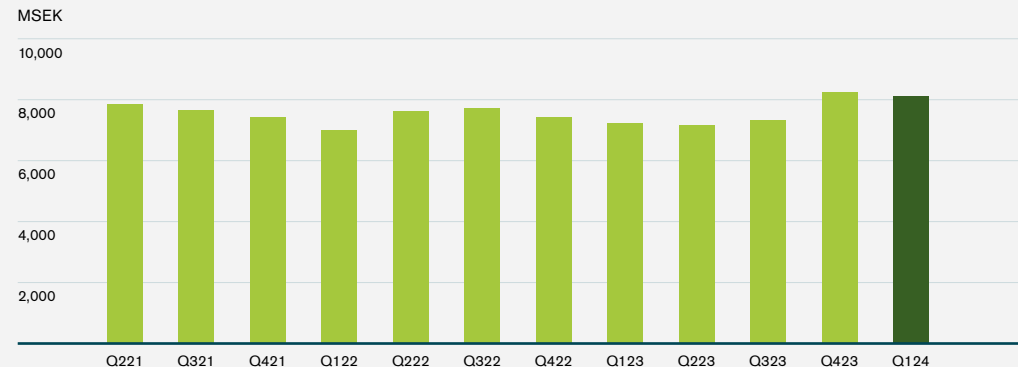
Sveaskog's net interest-bearing debt amounted to MSEK 8,117 (7,231) at 31 March. At the end of the period, the loan portfolio consisted mainly of loans issued under Sveaskog's MTN programme and a

Swedish commercial paper programme. The loan volume under the Swedish commercial paper programme amounted to MSEK 1,750 (1,600), which is refinanced on an ongoing basis. The outstanding volume under the MTN programme at 31 March was MSEK 5,950 (5,540), of which MSEK 5,540 (4,400) refers to green bonds. The lowest average net fixed interest period during the period was around 24 months (23).

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

The interest coverage ratio was 4.9 (11.1) and the gross borrowing cost was 3.16 (2.37) per cent.

NET INTEREST-BEARING DEBT



Parent company

Condensed income statement

MSEK	3 months, Jan–Mar		12 months	
	2024	2023	Apr 2023– Mar 2024	2023
Operating income	11	12	43	44
Operating expenses	–1	–1	–2	–2
Operating profit	10	11	41	42
Financial items	–106	–74	–419	–386
Profit/loss before appropriations and tax	–96	–63	–378	–344
Group contributions	–	–	863	863
Provisions to untaxed reserves	–	–	–160	–160
Profit/loss before tax	–96	–63	325	359
Tax	–	13	–112	–99
PROFIT/LOSS FOR THE PERIOD/YEAR	–96	–50	213	260

Condensed balance sheet

MSEK	31 Mar 2024	31 Mar 2023	31 Dec 2023
Assets			
Non-current assets			
Property, plant and equipment	36	37	36
Total property, plant and equipment	36	37	36
Non-current financial assets			
Shares in Group companies	24,934	24,984	24,934
Receivables from Group companies, interest-bearing	400	399	400
Total non-current financial assets	25,334	25,383	25,334
Total non-current assets	25,370	25,420	25,370
Current assets			
Current receivables etc., non-interest bearing	109	77	50
Receivables from Group companies, non-interest-bearing	0	3	866
Receivables from Group companies, interest-bearing	504	401	101
Cash and cash equivalents	0	0	0
Total current assets	613	481	1,017
TOTAL ASSETS	25,983	25,901	26,387
Equity and liabilities			
Equity	14,044	15,341	14,140
Untaxed reserves	468	308	468
Non-current liabilities			
Interest-bearing non-current liabilities	5,644	4,492	5,643
Total non-current liabilities	5,644	4,492	5,643
Current liabilities			
Liabilities to Group companies, interest-bearing	2,771	2,195	3,133
Other liabilities, interest-bearing	2,824	3,425	2,815
Liabilities to Group companies, non-interest-bearing	–	–	2
Other liabilities and provisions	232	140	186
Total current liabilities	5,827	5,760	6,136
TOTAL EQUITY AND LIABILITIES	25,983	25,901	26,387

Parent company

Condensed statement of changes in equity

MSEK	Jan–Mar 2024	Jan–Mar 2023	Full year 2023
Opening equity, 1 January	14,140	15,391	15,391
Dividend according to Annual General Meeting resolution	–	–	–1,150
Dividend according to Extraordinary General Meeting resolution	–	–	–361
Profit for the year	–96	–50	260
CLOSING EQUITY AT END OF PERIOD/YEAR	14,044	15,341	14,140

Condensed cash flow statement

MSEK	Jan–Mar 2024	Jan–Mar 2023	Full year 2023
Cash flow from operating activities	–612	–44	–364
Cash flow from investing activities	101	2	–7
Cash flow from financing activities	511	42	371
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



SALES JAN–MARCH 2024, MSEK

2,170

OPERATING PROFIT JAN–MARCH 2024, MSEK

593

Parent company

Sveaskog AB (Publ.), which is 100 per cent 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 11 (12), of which MSEK 1 (1) was

accounted for by capital gains from sales of forest land. The loss after financial items amounted to MSEK 97 (63). The parent company's costs consist mainly of interest expenses. The company has no employees. Operating activities are primarily carried out in the subsidiary Sveaskog Förvaltnings AB.

SVEASKOG'S SHARE OF PROFIT/LOSS FROM ASSOCIATES Q1 2024, MSEK



Sveaskog's holding 50 per cent of the shares

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 profit/loss in the associate is recognised in the consolidated income statement. Net sales for the period January–March totalled MSEK 1,158 (1,414). The operating loss amounted to MSEK 95 (64). The decrease is attributable to lower sales due to a weaker market trend. Sveaskog's share of earnings in the company adjusted for intra-group profits decreased by MSEK 24 to a loss of MSEK 44 (20). Sveaskog's share of Setra's other comprehensive income amounted to MSEK -30 (-19).



Sveaskog's holding 25.1 per cent of the shares

SunPine AB

Sveaskog owns 25.1 per cent of the shares of the biorefinery SunPine AB. The share of profit/loss in the associate is recognised in the consolidated income statement. -Net sales for the period January–March totalled MSEK 904 (1,010). The operating profit amounted to MSEK 29 (74). The deterioration in earnings is primarily an effect of an increased fluctuation in the oil market. Sveaskog's share of the company's profit decreased by 53 per cent to MSEK 6 (15).



Sveaskog's holding 24.1 per cent of the shares

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 January–March 2024 reports the share of the associate's profit/loss for the period December 2023 – February 2024 and the figures for the previous year cover the period from December 2022 – February 2023. Net sales for this period amounted to MSEK 5 (66) and the operating profit for the same period amounted to MSEK 5 (loss: 6). Sveaskog's share of profit/loss in the company amounted to MSEK 1 (-1).

Associates	Revenue	Operating profit	Share of profit/loss including any intra-Group profit	Share of profit in other comprehensive income	Refers to period
Setra Group	1,158	-95	-44	-30	Jan–Mar 2024
SunPine AB	904	29	6	N/A	Jan–Mar 2024
ShoreLink AB	59	5	1	N/A	Dec 2023 – Feb 2024

Notes

Accounting principles

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 2023, Note 14 on pages 93–95. For the first quarter of 2024, see Note 2 in this interim report.

NOTE 1 | Revenues from contracts with customers

MSEK	Jan–Mar 2024	Jan–Mar 2023	Apr 2023– Mar 2024	Full year 2023
Sawlogs	863	890	3,162	3,189
Pulpwood and wood chips	1,041	1,003	3,831	3,793
Biofuel	49	54	142	147
Seedlings	13	14	325	326
Other	80	67	179	166
Total revenues from contracts with customers	2,046	2,028	7,639	7,621
Of which IFRS 15 in net sales	2,046	2,027	7,637	7,618
Lease income	124	124	245	245
Total net sales	2,170	2,151	7,882	7,863
IFRS 15 in other operating income	0	1	2	3
Capital gains, etc.	43	34	99	90
Total other operating income	43	35	101	93
Date of revenue recognition				
Goods transferred to customers on a specific date	2,035	2,020	7,523	7,508
Goods and services transferred to customers over time	11	8	116	113
Contract assets and contractual liabilities				
Contract assets	19	20	19	17
Contract liabilities	0	1	0	0

Sveaskog has unfulfilled performance obligations for sales contracts with a term of more than 12 months of MSEK 9,221 (3,344). 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, which is based on current prices, 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 2,235 (3,672) reported for last year, MSEK 249 (335) referred to January–March 2024.

NOTE 2 | Valuation of forest assets

Sveaskog's total land holdings amount to 3.87 million hectares, of which 3.02 million hectares is productive forest land. The valuation includes a total of 2.75 million hectares containing a timber supply estimated at 263 million cubic metres of forest. The difference between Sveaskog's total productive land holdings and the valuation's land holdings is the deduction of reserves, ecoparks, trial parks and voluntary provisions. The forest assets are valued at fair value at level 3 calculated on the price statistics of forest properties from Ludvig & Co. and SWEFA. The price statistics refer to the areas where Sveaskog owns forest land and are divided into ten different price areas in Sweden. Sveaskog uses a five-year average in the valuation with some adjustments.

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. 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. Changes in the value of biological assets, calculated as net of changes due to harvest and unrealised changes in fair value, are recognised in the income statement. The carrying value of forest land is calculated as the difference between the total value of forest assets and biological assets. This value reflects future revenues from non-harvesting of now standing trees, such as letting for wind power, extracting from rock quarries, hunting leases, concession revenues and harvesting of future generations of trees and is reported through other comprehensive income.

The carrying amount of Sveaskog's forest assets as of 31 March 2024 has been calculated at MSEK 100,291 (89,139), of which MSEK 50,721 (47,475) refers to the fair value of the standing timber and MSEK 49,570 (41,664) refers to the fair value of the land. The change in the balance sheet since the previous year-end is MSEK 70 (277) and is shown on the table on the next page. The parameters included in the model for calculating the fair value are updated annually.

Notes

Significant judgements and estimates

One production cycle for biological assets is estimated by Sveaskog to amount to an average of 70 to 100 years and is divided into Sveaskog's five regions. 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 (2014–2023). 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 flow before tax is discounted at an interest rate of 4.5 per cent (4.5). 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 it is not affected by short-term fluctuations in market rates. According to current felling estimates, which date from 2022 and are based on a forest optimisation model, felling will amount to approximately 5.1 (5.1) million m³sub per year. This level is estimated to increase steadily until 2033, to then remain at a level of approximately 6.8 million m³sub (6.8) until 2037. The level is then estimated to decrease slightly to approximately 6.3 million m³sub (7.2–7.9). In 2023, approximately 50 per cent (53) of Sveaskog's own forest volume was sold as sawlogs to sawmills and 45 per cent (43) 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 treetops, which are primarily used as fuel wood; this volume is not included in the valuation.

SUMMARY MODEL ASSUMPTIONS FOR FOREST ASSETS – BIOLOGICAL ASSETS AND FOREST LAND

MSEK	31 Mar 2024	31 Mar 2023
Total forest assets		
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 2023	Forest registers as of October 2022
Biological assets, standing timber		
Discount rate	4.50%	4.50%
Revenue	10-year average	10-year average
Nominal price increase	2.0% per year	2.0% 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 standing timber is described in detail in Sveaskog's Annual Report 2023, Note 14 on pages 93–95.

TOTAL FOREST ASSETS – BIOLOGICAL ASSETS AND FOREST LAND

MSEK	
Fair values	
Opening balance, 1 January 2023	89,489
Change during the year	300
Closing value, 31 March 2023	89,789
Less assets held for dividend	–650
Carrying amount, 31 March 2023	89,139
Deferred tax attributable to forest assets	18,308
Less deferred tax attributable to forest assets held for dividend	–129
Carrying amount of deferred tax attributable to forest assets, 31 March 2023	18,179
Opening value, 1 January 2024	100,221
Change during the year	70
Closing value, 31 March 2024	100,291
Less assets held for dividend	0
Carrying amount, 31 March 2024	100,291
Deferred tax attributable to forest assets	20,617
Less deferred tax attributable to forest assets held for dividend	0
Carrying amount of deferred tax attributable to forest assets, 31 March 2024	20,617

Notes

FOREST ASSETS OF WHICH BIOLOGICAL ASSETS

MSEK

Fair values

Opening balance, 1 January 2023	47,460
Acquisition of biological assets	0
Sale of biological assets	-7
Changes due to felling	-211
Unrealised change in fair value	525
Closing value, 31 March 2023	47,767
Less assets held for dividend	-292
Carrying amount, 31 March 2023	47,475
Opening value, 1 January 2024	50,673
Acquisition of biological assets	13
Sale of biological assets	-2
Changes due to felling	-211
Unrealised change in fair value	248
Closing value, 31 March 2024	50,721
Less assets held for dividend	0
Carrying amount, 31 March 2024	50,721

FOREST ASSETS OF WHICH FOREST LAND

MSEK

Fair values

Opening balance, 1 January 2023	42,028
Acquisition of forest land	0
Sale of forest land	-5
Unrealised change in fair value	-1
Closing value, 31 March 2023	42,022
Less assets held for dividend	-358
Carrying amount, 31 March 2023	41,664
Opening value, 1 January 2024	49,548
Acquisitions of forest land	25
Sale of forest land	-3
Unrealised change in fair value	0
Closing value, 31 March 2024	49,570
Less assets held for dividend	0
Carrying amount, 31 March 2024	49,570

Notes

NOTE 3 | Fair value

The following table shows the fair value of the Group's assets, liabilities and derivatives. Assets and derivatives are measured at fair value on the balance sheet, while current and non-current liabilities are measured at amortised cost on the balance sheet.

MSEK	Level 1		Level 2		Level 3	
	31 Mar 2024	31 Dec 2023	31 Mar 2024	31 Dec 2023	31 Mar 2024	31 Dec 2023
Assets						
Forest assets						
Biological assets	–	–	–	–	50,721	50,673
Forest land	–	–	–	–	49,570	49,548
Interest-bearing non-current liabilities	78	72	–	–		–
Derivative instruments	–	–	40	28		–
Total assets	78	72	40	28	100,291	100,221
Liabilities						
Non-current liabilities	–	–	5,764	5,704	–	–
Current liabilities	–	–	2,823	2,813	–	–
Derivative instruments	–	–	1	3	–	–
Total liabilities	0	0	8,588	8,520	0	0

Measurement techniques used to calculate fair values in Level 1

For financial instruments for which quoted market prices are available, current prices are used for fair value measurement.

Measurement 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 2023, 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 measurement technique is shown in Note 2.

Issuers (Finance/ Group)

In January–March 2024, Sveaskog issued MSEK 1,500 (1,400) under the commercial paper programme and MSEK 0 (0) under the MTN programme.

Other information

Risks and uncertainties

For a description of risks, uncertainties and risk management, please refer to Sveaskog's 2023 annual report (pages 45–52). No other significant changes in addition to those mentioned in this year-end report have occurred since the publication of the annual report. The Ukraine War and the war in Gaza contribute to continued geopolitical unrest. The effects of the Ukraine War appear to have decreased, while the risks associated with the conflict in the Middle East are difficult to assess.

Sveaskog has a strong balance sheet and good liquidity. Sveaskog monitors the situation continuously and evaluates the effects.

Significant events after the closing date

No other 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 2023 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, 24 April 2024

Sveaskog AB (publ.) (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	2024 Q1	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2022 Q4	2022 Q3	2022 Q2
Net sales	2,170	1,990	1,647	2,075	2,151	2,044	1,733	1,991
Other operating income	43	16	23	19	35	28	8	13
Operating expenses	-1,578	-1,767	-1,410	-1,604	-1,585	-1,778	-1,435	-1,604
Depreciation/amortisation and impairment	-42	-40	-41	-41	-39	-40	-37	-38
Operating profit from continuing operations	593	199	219	449	562	254	269	362
Capital gains on property sales	-4	5	2	21	2	1	3	19
Share of profit/loss in associates	-37	-81	13	14	-6	-28	118	251
Operating profit before change in value in biological assets	552	123	234	484	558	227	390	632
Change in value in biological assets	31	3,436	-86	-279	305	179	107	124
Operating profit	583	3,559	148	205	863	406	497	756
Net financial income/expense	-68	-60	-63	-56	-47	-41	-36	-25
Profit/loss before tax	515	3,499	85	149	816	365	461	731
Tax	-113	-722	-13	-27	-169	-77	-71	-99
Profit/loss from continuing operations	402	2,777	72	122	647	288	390	632
Profit/loss from operations subject to dividend	-	-27	-28	1	-	-	-	-
Earnings	402	2,750	44	123	647	288	390	632

Balance sheets, MSEK

Quarterly overview	2024 Q1	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2022 Q4	2022 Q3	2022 Q2
Non-current assets, non-interest-bearing	102,638	102,604	91,390	91,358	91,668	91,411	88,684	88,278
Non-current receivables, interest-bearing	78	72	64	51	30	15	5	5
Inventories	769	693	656	596	716	649	635	573
Current receivables, non-interest bearing	2,474	2,052	2,226	2,010	2,032	1,879	2,237	1,902
Cash and cash equivalents and interest-bearing receivables	689	538	1,024	1,189	1,072	799	560	1,475
Assets held for dividend	-	-	619	653	651	627	-	-
Total assets	106,648	105,959	95,979	95,857	96,169	95,380	92,121	92,233
Equity	74,174	73,808	65,775	66,366	66,820	66,192	63,027	62,611
Non-interest-bearing liabilities	23,591	23,288	21,670	20,941	20,887	20,817	20,801	20,512
Interest-bearing liabilities	8,883	8,863	8,412	8,418	8,333	8,247	8,293	9,110
Liabilities for assets held for dividend	-	-	122	132	129	124	-	-
Total equity and liabilities	106,648	105,959	95,979	95,857	96,169	95,380	92,121	92,233

KPIs

Financial KPIs	2024 Q1	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2022 Q4	2022 Q3	2022 Q2
Net debt/equity ratio, times	0.11	0.11	0.11	0.11	0.11	0.11	0.12	0.12
Adjusted operating capital (excluding deferred tax), MSEK ¹⁾	42,443	42,179	39,280	39,813	40,385	39,850	39,275	38,917
Return on adjusted operating capital, % ²⁾	3.3	3.3	3.8	4.1	4.5	4.9	5.6	5.9
Adjusted operating capital excluding equity participation in associates (and deferred tax), MSEK	41,180	40,849	37,908	38,417	38,749	38,189	37,561	37,301
Return on adjusted operating capital excluding associates, % ²⁾	3.6	3.6	3.9	4.1	3.8	3.6	3.8	3.7
Equity ratio, %	70	70	69	69	69	69	68	68
Return on equity, % ²⁾	4.7	5.1	1.7	2.2	3.0	3.1	2.6	2.8
Capital turnover rate, operating capital, multiple	0.11	0.10	0.11	0.11	0.11	0.11	0.10	0.11
Interest coverage ratio, times ^{2) 3)}	4.9	5.3	6.4	8.2	11.1	14.5	18.3	19.5
Operating margin, %	26.8	178.8	9.0	9.9	40.1	19.9	28.7	38.0
Net interest-bearing debt, MSEK	8,117	8,253	7,324	7,177	7,231	7,433	7,728	7,630
Average interest rate in loan portfolio, %	3.16	2.95	2.67	2.49	2.37	1.19	0.95	0.77
Average net fixed interest period, months	25	24	24	23	23	24	25	26

Other KPIs	2024 Q1	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2022 Q4	2022 Q3	2022 Q2
<i>Investments, MSEK</i>								
Business acquisitions and investments in shares	38	106	51	21	3	-	-	-
Other investments	63	535	75	60	37	44	188	31
<i>Staff</i>								
Number of employees at the end of the period	816	804	780	769	752	739	727	716
Average number of employees	877	880	837	861	815	810	773	806

¹⁾ Adjusted operating capital excludes the land value and the deferred tax payable on it.

²⁾ Rolling 12 months.

³⁾ Operating profit before change in value of biological 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 measures 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 measures 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 deems that this KPI measures the company's return during the year on the capital that the owner has invested in the business, and thus indicates how profitable the company is for its shareholders.

Return on equity	Apr 2023– Mar 2024	Apr 2022– Mar 2023	Full year 2023
Profit for the year	3,316	1,957	3,562
Equity, opening balance	66,820	63,233	66,192
Equity, closing balance	74,174	66,820	73,808
Average equity (OB + CB)/2	70,497	65,027	70,000
Profit for the year	3,316	1,957	3,562
Divided by average equity	70,497	65,027	70,000
= Return on equity, %	4.7%	3.0%	5.1%

Return on adjusted operating capital

Definition: Operating profit before change in value of biological assets, excluding capital gains on property sales, divided by average adjusted operating capital, excluding deferred tax.

Comment: This is one of Sveaskog's financial targets. The target is that the return shall be at least 2.5 per cent on average. The target reflects the return on Sveaskog's operating activities excluding the impact of forest valuations and temporary property sales.

Return on adjusted operating capital	Apr 2023– Mar 2024	Apr 2022– Mar 2023	Full year 2023
Operating profit before change in value in biological assets	1,393	1,807	1,399
Less capital gains on property sales	-24	-25	-30
Subtotal	1,369	1,782	1,369
Adjusted operating capital OB	40,385	38,905	39,850
Adjusted operating capital CB	42,443	40,385	42,179
Average adjusted operating capital (OB + CB)/2	41,414	39,645	41,015
Subtotal as above	1,369	1,782	1,369
Divided by average adjusted operating capital	41,414	39,645	41,015
= Return on adjusted operating capital, %	3.3%	4.5%	3.3%

Return on adjusted operating capital excluding equity participation in associates

Definition: Operating profit before change in value of biological assets, excluding capital gains on property sales and equity interests in associates, divided by average adjusted operating capital, excluding equity interests in associates and deferred tax.

Comment: This is one of Sveaskog's financial targets. The target is that the return shall be at least 2.5 per cent on average. The target reflects the return on Sveaskog's operating activities excluding the share of capital in associated companies without the impact of forest valuations and temporary property sales.

Return on adjusted operating capital excluding equity participation in associates	Apr 2023– Mar 2024	Apr 2022– Mar 2023	Full year 2023
Operating profit before change in value in biological assets	1,393	1,807	1,399
Less capital gains on property sales	-24	-25	-30
Less equity participation in associates	91	-335	60
Subtotal	1,460	1,447	1,429
Adjusted operating capital excl. equity participations in associates OB	38,749	37,251	38,189
Adjusted operating capital excl. equity participations in associates CB	41,180	38,749	40,849
Average adjusted operating capital excl. equity interests in associates (OB + CB)/2	39,965	38,000	39,519
Subtotal as above	1,460	1,447	1,429
Divided by average adjusted operating capital, excluding equity participation in associates	41,180	38,749	39,519
= Return on adjusted operating capital excluding equity participation in associates, %	3.6%	3.8%	3.6%

Alternative KPIs and definitions

Adjusted operating capital

Definition: Total assets excluding interest-bearing assets, tax assets and assets held for sale and the land value minus non-interest-bearing liabilities and deferred tax liabilities (except the part of the land value), all calculated at the end of the period/year. The key performance indicator is calculated including and excluding equity participation in associates.

Comment: Sveaskog calculates adjusted operating capital for the key ratios return on adjusted operating capital before and after equity participation in associates and average adjusted operating capital.

Adjusted operating capital	Mar 2024	Mar 2023	Full year 2023
Other liabilities and provisions	709	652	518
– of which tax liabilities	205	271	110
– of which other liabilities and provisions	504	381	408
Balance sheet total	106,648	96,169	105,959
Less interest-bearing assets (cash and cash equivalents)	–689	–1,072	–538
Less interest-bearing receivables (non-current)	–78	–30	–72
Less tax assets	–134	–72	–82
Less other liabilities and provisions (non-current)	–21,707	–19,277	–21,679
Less trade payables	–1,175	–958	–1,090
Less other liabilities and provisions (current)	–504	–381	–408
= Operating capital, MSEK	82,361	74,379	82,090
Restoration of land value	–49,570	–41,664	–49,548
Restoration of land value of assets subject to dividend	0	–358	–
Deferred tax attributable to land value	9,652	7,956	9,637
Deferred tax attributable to the land value of assets subject to dividend	0	72	–
= Adjusted operating capital, MSEK	42,443	40,385	42,179
Less equity participation in associates	–1,263	–1,636	–1,330
= Adjusted operating capital excl. equity participations in associates, MSEK	41,180	38,749	40,849

Capital turnover rate

Definition: Net sales divided by average operating capital.

Net debt/equity ratio

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

Comment: Net debt/equity ratio is one of Sveaskog's financial targets. The target is a ratio in the range of 0.05–0.30. Sveaskog deems the KPI to reflect the scope for dividends and strategic investments, as well as to enable assessments of the Group's ability to fulfil its financial obligations.

Net debt/equity ratio	Mar 2024	Mar 2023	Full year 2023
Net interest-bearing debt	8,117	7,231	8,253
Divided by equity	74,174	66,820	73,808
= Net debt/equity ratio, times	0.11	0.11	0.11

Operating profit from continuing operations

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

Comment: The operating profit is the result of the Group's core operating activities, where the vast majority is the forest business with the purchase and sale of timber, pulpwood, wood chips and biofuel. Associates are recognised in the consolidated income statement outside operating profit because they do not constitute the Group's core operating activities.

Earnings per share (defined in accordance with IFRS)

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

Net interest-bearing debt

Definition: Interest-bearing liabilities minus interest-bearing assets, all calculated at the end of the period/year. The Group's definition remains unchanged compared to previous periods.

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

Net interest-bearing debt	Mar 2024	Mar 2023	Full year 2023
Interest-bearing assets (cash and cash equivalents and non-current receivables)	767	1,102	610
Interest-bearing liabilities and provisions (non-current)	–5,842	–4,700	–5,848
Lease liabilities, non-current	–139	–91	–128
Interest-bearing liabilities, MSEK	–2,854	–3,508	–2,841
Leasing liabilities, current	–49	–34	–46
= Net interest-bearing debt, MSEK	–8,117	–7,231	–8,253

Alternative KPIs and definitions

Interest coverage ratio

Definition: Operating profit before change in value of biological assets excluding 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 2023– Mar 2024	Apr 2022– Mar 2023	Full year 2023
Financial items in the income statement	-247	-149	-226
– of which financial income	39	13	39
– of which financial expenses	-286	-162	-265
Operating profit before change in value in biological assets	1,393	1,807	1,399
Less capital gains on property sales	-24	-25	-30
Plus financial income	39	13	39
Subtotal	1,408	1,795	1,408
Subtotal as above	1,408	1,795	1,408
Divided by financial expenses	286	162	265
= Interest coverage ratio, times	4.9	11.1	5.3

Operating margin

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

Operating profit before change in value in biological assets

Comment: Operating profit before change in value of biological assets is operating profit before calculating forest growth according to IAS 41 and felling during the year.

Equity ratio

Definition: Equity divided by total assets, all calculated at the end of the period/year. The Group's definition remains unchanged compared to 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 2024	Mar 2023	Full year 2023
Equity	74,174	66,820	73,808
Divided by total assets	106,648	96,169	105,959
= Equity ratio,%	70%	69%	70%

Definitions

Thinning effect. This index focuses on the quality of thinning and indicates the percentage of the total thinned area that is quality approved.

Clearing index. This index consists of two components of equal weight: the quality of the clearing carried out (approved area) and the area carried out in relation to the plan for the year.

Restart damaged young forest. This index shows the number of hectares in Norrbotten and Västerbotten that Sveaskog had to restart from a forest perspective.

Share of fossil-free fuel of its own teams. This index indicates the share of fossil-free fuel used by Sveaskog in its own felling teams.

Nature conservation. This index shows the number of hectares where Sveaskog implements measures in natural forests and cultured forests that aim to preserve and promote biodiversity.

Burning for nature conservation purposes. This index shows the number of hectares where conservation burning was carried out, which is a planned and landscaped fire to mimic natural fire for nature conservation purposes.


Restored wetlands. The index indicates the number of wetlands restored by restoration.

Sales, other land transactions. Sales other land transactions consist mainly of revenues from hunting, fishing, wind power, solar energy and rock and gravel.

Return on adjusted operating capital. % return on adjusted operating capital during the past 12 months.

Upcoming reports

 Interim report April–June 2024	17 July 2024
 Interim report July–September 2024	25 October 2024
 Year-end report 2024	29 January 2025

 [Link to report archive at sveaskog.se](#)

Contact

If you have any questions, please contact
Erik Brandsma, President and CEO,
tel. +46 (0)10-471 81 50

Claes Rasmuson, CFO
tel. +46(0)10-471 80 20

Sveaskog AB, Stockholm
Wallingatan 2
SE-105 22 Stockholm

Switchboard
+46 (0)771-787 000
For contact with Sveaskog's employees

Telephone Customer Service Centre
+46 (0)771-787 100
For questions about Sveaskog's operations

info@sveaskog.se
www.sveaskog.se
facebook.com/sveaskog
twitter.com/sveaskog