

# Interim Report

## January – September 2024

MSEK	3 months, July–Sept			9 months, Jan–Sept			12 months		
	2024	2023	%	2024	2023	%	Oct 2023– Sept 2024	2023	%
Net sales	1,718	1,647	4%	6,113	5,873	4%	8,103	7,863	3%
Operating profit from continuing operations	392	219	79%	1,484	1,230	21%	1,683	1,429	18%
Share of profit/loss in associates	–29	13	–323%	–61	21	N/A	–142	–60	137%
Change in value in biological assets	–39	–86	–55%	160	–60	N/A	3,596	3,376	7%
Operating profit	327	148	121%	1,580	1,216	30%	5,139	4,775	8%
Profit/loss before tax	256	85	201%	1,469	1,050	40%	4,968	4,549	9%
Profit/loss from continuing operations	230	72	221%	1,153	839	38%	3,930	3,616	9%
Profit/loss from activities to be shut down / that have been distributed	–37	–28	32%	–37	–27	37%	–64	–54	19%
Profit/loss for the period	193	44	339%	1,116	812	37%	3,867	3,562	9%
Cash flow from operating activities	324	–62	N/A	1,015	640	59%	1,361	987	38%
Earnings per share, SEK	1.64	0.37	343%	9.43	6.86	37%	32.66	30.08	9%

### KPIs<sup>1)</sup>, Group

MSEK	9 months, Jan–Sept		12 months	
	2024	2023	Oct 2023– Sept 2024	2023
Net debt/equity ratio, multiple (target 0.05–0.30)	0.12	0.11	0.12	0.11
Return on adjusted operating capital (excl. deferred tax), % (target >2.5%) <sup>1) 2)</sup>	3.8	3.8	3.8	3.3
Return on adjusted operating capital excluding equity participation in associates (& deferred tax), % (target >2.5%) <sup>1) 2)</sup>	4.2	3.9	4.2	3.6
Return on equity, % <sup>2)</sup>	5.6	1.7	5.6	5.1
Interest coverage ratio, times <sup>2) 3)</sup>	5.6	6.4	5.6	5.3
Equity ratio, %	69	69	69	70
Net interest-bearing debt, MSEK	8,730	7,324	8,730	8,253
Average number of employees	812	837	812	880
Total delivery volume, thousand m <sup>3</sup> sub	6,159	6,743	8,347	8,930

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

<sup>2)</sup> Rolling 12 months.

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

## Raw materials in demand and higher timber prices continue

### 1 July – 30 September 2024

- Net sales increased by 4 per cent to MSEK 1,718 (1,647). Timber prices increased by an average of 10 per cent, while delivery volumes decreased by 8 per cent. Other sales increased by 2 per cent and are mainly attributable to concessions, saplings and other sales.
- The average prices of deliveries from Sveaskog's own forest increased by 16 per cent from the corresponding quarter of the previous year.
- Operating profit increased by 79 per cent and amounted to MSEK 392 (219). The improvement in earnings is mainly attributable to higher timber prices.
- Share of profits of associates amounted to a loss of MSEK 29 (profit: 13).
- The reported net change in value of biological assets amounted to MSEK –39 (–86).
- Profit for the quarter amounted to MSEK 193 (44), equivalent to SEK 1.64 (0.37) per share.

### 1 January – 30 September 2024

- Net sales increased by 4 per cent to MSEK 6,113 (5,873). Timber prices increased by an average of 11 per cent, while delivery volumes decreased by 7 per cent. Other sales remained largely unchanged.
- 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 21 per cent and amounted to MSEK 1,484 (1,230). Higher timber prices have been offset by lower volumes from Sveaskog's own forest, as well as increased costs for felling, forest management and nature conservation.
- Share of profits of associates amounted to a loss of MSEK 61 (profit: 21).
- The reported net change in value of biological assets amounted to MSEK 160 (–60).
- Profit for the period amounted to MSEK 1,116 (812), equivalent to SEK 9.43 (6.86) per share.



CEO's comments

## The forest – a secure asset in an uncertain world

“Good price development and agreements for value creation on our land.”

Times are still good for forest owners and demand for wood raw materials was very high during the quarter. Sveaskog's pulp and packaging customers value reliable deliveries from sustainably managed forests as the supply of wood raw materials in the Baltic Sea region has become more uncertain and competition for this supply has increased. Despite challenges with the profitability of Swedish sawmills, timber prices have continued to rise.

The market situation is contributing to the continued positive earnings trend. Operating profit for the third quarter of 2024 amounted to MSEK 392, which was 79 per cent higher than for the corresponding period in the previous year. 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.

### Raw materials in demand and higher timber prices

There is still a large need for wood raw materials for industry, which contributes to a very good price trend. In September, for the third time this year, we raised the prices of timber and pulpwood. The price increase highlights the value of the Swedish forest and with adjusted price lists in much of the country, better conditions are created for profitable forestry among the private forest owners who work with us.

The green transition in Sweden is continuing, although pace and commitment vary and some companies are facing challenges. Sveaskog's

commitment to the green transition remains intact and there is no doubt that our forest and land are in demand in an ecologically sustainable economy and are important for Sweden's competitiveness.

### **We generate value from our forest and land**

Since we launched our new strategic direction last year, we have continued to work to make the best use of the assets that our forest and land represent. We are developing our primary business and core business in forestry, with the ambition of developing more varied forestry, while at the same time developing new business that provides higher revenues from wind and solar power, for example. We are looking for new partnerships and in August we announced a cooperation agreement with the companies Alight and Svea Solar for large-scale solar energy production, which means that we are advancing the positions in solar energy and establishing ourselves in the solar power market.

In July, we announced the sale of Hjälmare kanal AB to AB Göta kanalbolag. Through the transfer, Hjälmare kanal gets a more natural domicile at a company that specializes in conducting channel operations.

### **Extensive interest in our green bonds**

In September, Sveaskog issued additional green bonds for a total of SEK 1.3 billion with a term of five years. It is pleasing to note that the market is showing such great interest in our green bonds. The funds will be used in accordance with our framework for green bonds.

### **Sveaskog and forestry in transition**

Through more varied forestry, Sveaskog is working to strengthen the long-term vitality and growth capacity of the forest, combat negative effects of climate change, ensure biodiversity, develop coexistence with reindeer husbandry and promote well-being in the countryside. The goal is for us to have both vibrant future forests and a secure raw materials supply. A more varied forest is less sensitive to a changing climate, where extreme weather occurs more often. By conducting more varied forestry, we therefore use several

“By conducting more varied forestry, we want to create value and balance the various interests that exist in the forest and on the land.”

different management techniques that mimic the natural disturbances that boreal forests are adapted to.

With climate change, the conditions throughout the country are changing in terms of what the right tree species is for each specific location. In the summer months, it is the high season for planting saplings and for the third consecutive year, we increased the proportion of deciduous trees in connection with this year's summer planting. Over time, this means that we will get a larger mix of different tree species in Sveaskog's forests.

### **The forest policy framework**

The EU Deforestation Regulation (EUDR), which aims to prevent global deforestation through mandatory requirements on the traceability of wood raw materials, was intended to enter into force at the end of the year but is now being postponed for a year. Although Sveaskog was better prepared than many others, this gives us some respite as we continue our preparations without slowing down. At the same time, we are following with great interest ongoing studies regarding robust domestic forests and the country's reindeer industry as the outcome of these studies can affect the conditions for our operations. We note with some concern that data that is misinterpreted contributes to EU parliamentarians getting an incorrect picture of the situation in our Swedish forests and that there is a false picture being spread in the media that Sweden is the world leader in deforestation.

### **High season for hunting**

As forest and landowners, we have several different interests to take into consideration: the forest as raw material, nature conservation and outdoor activities. Every year, 25,000 hunters hunt on our hunting grounds throughout the country. Hunting takes place in line with national objectives and is always balanced with other interests related to the forest and land. In addition, safety has a very high priority. At the start of this year's elk season, opinion-driven news, debate articles and editorials received relatively large attention in the local and industry press. Good relations with hunters are important to us and we are actively working towards a mutual relationship characterised by dialogue and trust.

### **Activities for greater efficiency**

We are working for greater internal efficiency in a number of areas. This includes investments in AI, technology and method development, increasing the organisation's crisis preparedness and focusing on our costs.

This year's employee survey was carried out in September. The survey gives Sveaskog's employees the opportunity to contribute to the development of the company's culture and working environment. The results for 2024 are on par with the results for 2023. It is pleasing to see that employee satisfaction and commitment, which we measure using the global standard method Employee Net Promoter Score (eNPS), continue to increase.

I would like to give a big thanks to all our employees for their commitment and efforts during the quarter. I would also like to thank our customers, contractors, suppliers and partners for the excellent cooperation.

### **Erik Brandsma**

President and CEO

# Market situation and wood deliveries

Sveaskog conducts forestry operations and wood raw material trading in Sweden and in Latvia. 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 third quarter, prices increased, but the supply of timber did not increase at the same pace. The uncertainties in the timber market have led to increased interest in deliveries from Sveaskog from customers throughout the country. With the aim of contributing to increased sustainable returns, Sveaskog has continued to actively work for higher revenues, among other things, by prioritising delivery volumes to the business that creates the most value for Sveaskog.

## Sawmills

Sveaskog's sawmill customers describe the market situation as difficult, still driven by lower activity in the construction sector. Lower demand for timber products appears to be balanced by lower production at the sawmills as the stock of sawn timber did not increase significantly during the quarter. For Sveaskog's part, the trend will continue of deliveries of timber from Sveaskog in particular being favoured over the market at large. Most sawmills see great value in the security that exists in a delivery agreement with Sveaskog where contracted timber volumes really reach the sawmills. Timber prices in Sveaskog's deliveries continued to rise during the quarter and are now high throughout Sweden. The demand for timber remains good.

During the third quarter, Sveaskog delivered 560 thousand m<sup>3</sup>sub (642) of sawlogs, which is a decrease of 13 per cent from the same period last year. For the period October 2023 to September 2024, deliveries totalled 3,140 thousand m<sup>3</sup>sub (3,731).

## Pulp and paper industry

The market situation for the Swedish pulp industry shows continued stable demand, where the price levels on pulp have been favourable. Demand for pulp and packaging has remained high, which has benefited our customers and is expected to create a positive market dynamic in the future as well.

With a changing timber market, Sveaskog's ability to meet customers' needs for raw materials has been crucial, and we note a very good price trend on pulpwood deliveries throughout Sweden.

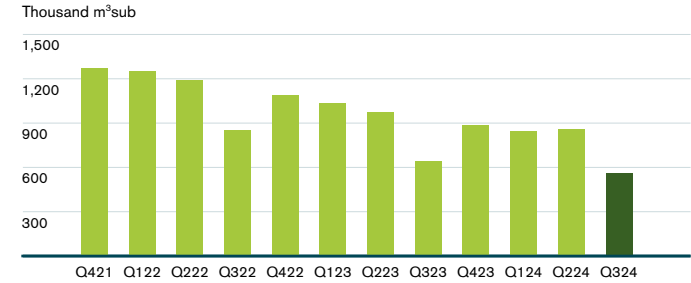
During the quarter, Sveaskog delivered 1,132 (1,137) thousand m<sup>3</sup>sub of pulpwood and woodchips, which corresponds to the same period last year. For the period October 2023 to September 2024, deliveries totalled 4,785 thousand m<sup>3</sup>sub (5,108).

## The biofuel market

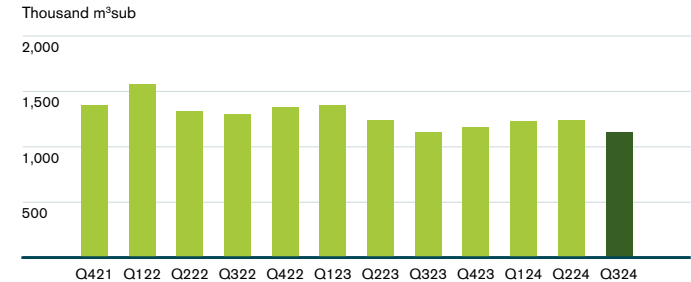
The market for forest biofuel, such as GROT (branches and tree tops), is regional and local where the transport costs are high and the production costs are relatively low for biofuel. The forest biofuel market is large in southern and central Sweden, but is more limited in northern Sweden. The customers 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 third quarter, Sveaskog delivered 45 (88) thousand m<sup>3</sup>sub of biofuel, which is a decrease of 49 per cent from the same period last year. For the period October 2023 to September 2024, deliveries totalled 421 thousand m<sup>3</sup>sub (486). The lower volumes of GROT are due to reduced regeneration felling and a larger share being used to increase the carrying capacity of forest machinery.

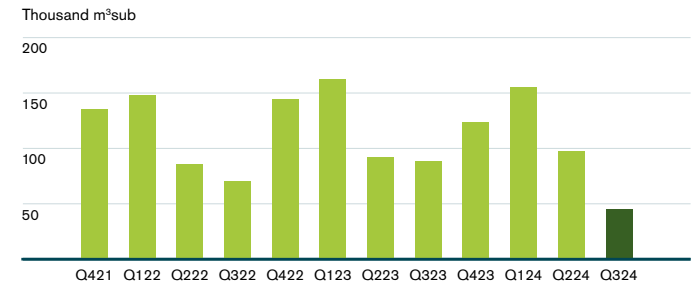
DELIVERY VOLUME SAWLOGS



DELIVERY VOLUME PULPWOOD AND WOODCHIPS



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 naturally varies with weather and season, but can be measured over the long term by collecting statistics from the data of the National Forest Inventory on Sveaskog's land. Increased growth is made possible through a number of forest management measures, such as biotope adaptation, the use of good sapling materials and management methods adapted to changing climate conditions.

Indicator	Outcome full year 2023	Outcome acc. Sept 2023	Outcome acc. Sept 2024	Target full year 2024	Target full year 2028
Thinning effect, %, acc.	N/A	N/A	83	85	85
Cleaning index, % acc.	98	100	98.1	92.5	92.5
Measures in the project 'Restart damaged young forest' <sup>1)</sup> , number of hectares	2,132 <sup>2)</sup>	1,896	697	829	2,389

<sup>1)</sup> The restart refers to Region Norrbotten and Västerbotten.

<sup>2)</sup> Changed definition from 'Commenced restart (ha)' to 'All measures carried out (ha)' within the project 'Restart damaged forest'.

The increased focus on correct thinning has started to yield results and we essentially reached the targets of thinning effect. We are well in line with our objective of cleaning, both in terms of area cleaned and improved quality in execution. The work on the project 'Restart damaged forest' aims to restart the regeneration of forests damaged by resin top fungus and game grazing in northern Sweden. This year, most focus is on Norrbotten. Other measures for increased forest growth are also in under way, such as planting with saplings

with a high level of breeding and fertilization. New results from the national elk grazing inventory (ÄBIN\*) show a continued high level of damage throughout the country and Sveaskog's land is no exception. Our work to achieve a balance between the game population and the supply of game feed continues, including rejuvenating forests with the right tree species.

\* [www.skogsstyrelsen.se/abin](http://www.skogsstyrelsen.se/abin)

See page 24 for definitions

## 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. Sept 2023	Outcome acc. Sept 2024	Target full year 2024	Target full year 2028
Share of fossil-free fuel, own teams, %	N/A	N/A	57	N/A	74

Work on the formulation of more 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 fuel in our own teams amounted to 88 per cent in the third quarter, which results in an accumulated share of 57 per cent for the first half of 2024.

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 preservation and creation 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. Sept 2023	Outcome acc. Sept 2024	Target full year 2024	Target full year 2028
Nature conservation (extended area, ha)	1,020	534	1,049	1,560	N/A
Of which nature conservation burning (extended area, ha)	91	91	109	165	N/A
Restored wetlands (number of objects)	46	23	20	33	N/A

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

So far this year, the area of nature conservation is almost twice the size of the previous year and corresponds to about 70 per cent of the annual target. The area of conservation burning carried out is also larger this year. Burnings have been carried out in every region, but the majority of the area is accounted for by Southern Norrland. The number of restored wetlands is slightly lower than at the same time last year.

See page 24 for definitions

### 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.

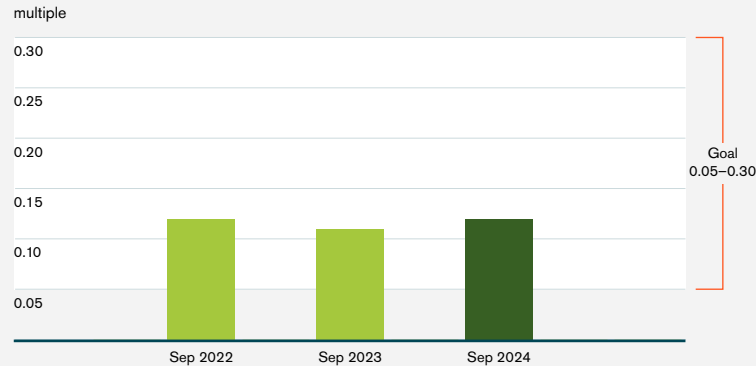
Indicator	Outcome full year 2023	Outcome acc. Sept 2023	Outcome acc. Sept 2024	Target full year 2024	Target full year 2028
Sales, other land transactions, MSEK, R12	305	350	356	295	336
Return on adjusted operating capital R12, %	3.3	3.8	3.8	2.5	2.5

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 land and renewable energy. Sales from other land transactions on a rolling 12-month basis amount to MSEK 356, which is slightly higher than the previous year and higher than the target for the full year. This high outcome is attributable to non-recurring revenues for replace-

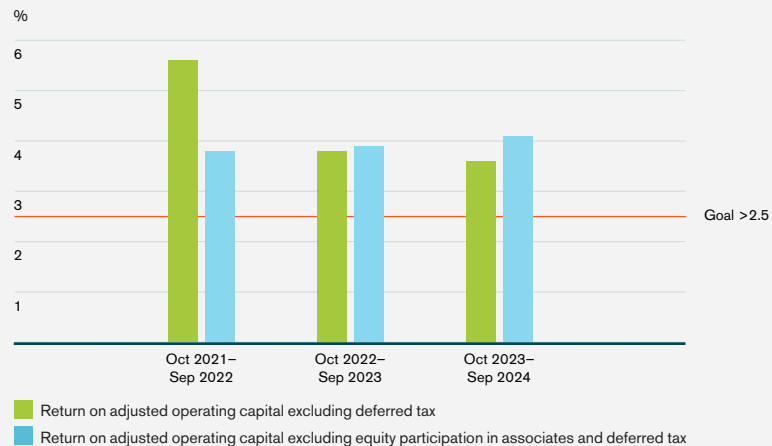
ment land and power line construction. There is great interest in solar energy. During the summer, Sveaskog signed a cooperation agreement with two companies for solar energy production in southern Sweden. Project engineering will begin in the autumn of 2024 and will cover installations in the SE3 and SE4 electricity areas – the areas that currently have the largest electricity shortages. The total power planned to be generated under the agreements is 2 gigawatts.

# Sveaskog's financial targets

## NET DEBT/EQUITY RATIO



## RETURN ON ADJUSTED OPERATING CAPITAL, ROLLING



## Dividend

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 <sup>1)</sup>	1,207
Percentage of basis for dividends, %	100	100

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

# 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. The company's forests are certified in accordance with both FSC and PEFC standards, and we require FSC Controlled Wood Chain of Custody for all timber we purchase 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 climate benefit
- Development of biodiversity and ecosystem services
- Increased sustainable returns

# The Sveaskog Group

## Condensed income statement

MSEK	3 months, July–Sept		9 months, Jan–Sept		12 months	
	2024	2023	2024	2023	Oct 2023– Sept 2024	2023
Net sales (Note 1)	1,718	1,647	6,113	5,873	8,103	7,863
Other operating income (Note 1)	15	23	71	77	87	93
Raw materials and consumables	-583	-599	-2,056	-1,998	-2,736	-2,678
Change in inventories	77	73	119	71	197	149
Other external expenses	-635	-736	-2,107	-2,194	-3,098	-3,186
Staff costs	-154	-148	-525	-478	-698	-651
Depreciation/amortisation	-46	-41	-131	-121	-171	-161
<b>Operating profit from continuing operations</b>	<b>392</b>	<b>219</b>	<b>1,484</b>	<b>1,230</b>	<b>1,683</b>	<b>1,429</b>
Capital gain/loss on property sales	3	2	-3	25	2	30
Share of profit/loss in associates	-29	13	-61	21	-142	-60
<b>Operating profit before change in value in biological assets</b>	<b>366</b>	<b>234</b>	<b>1,420</b>	<b>1,276</b>	<b>1,543</b>	<b>1,399</b>
Change in value in biological assets (Note 2)	-39	-86	160	-60	3,596	3,376
<b>Operating profit</b>	<b>327</b>	<b>148</b>	<b>1,580</b>	<b>1,216</b>	<b>5,139</b>	<b>4,775</b>
Financial items	-71	-63	-111	-166	-171	-226
<b>Profit/loss before tax</b>	<b>256</b>	<b>85</b>	<b>1,469</b>	<b>1,050</b>	<b>4,968</b>	<b>4,549</b>
Tax	-26	-13	-316	-211	-1,038	-933
<b>Profit/loss from continuing operations</b>	<b>230</b>	<b>72</b>	<b>1,153</b>	<b>839</b>	<b>3,930</b>	<b>3,616</b>
Profit/loss from activities to be shut down / that have been distributed	-37 <sup>1)</sup>	-28 <sup>2)</sup>	-37 <sup>1)</sup>	-27 <sup>2)</sup>	-64 <sup>1)</sup>	-54 <sup>2)</sup>
<b>Profit/loss for the period/year</b>	<b>193</b>	<b>44</b>	<b>1,116</b>	<b>812</b>	<b>3,866</b>	<b>3,562</b>
Earnings per share in SEK before and after dilution	1.64	0.37	9.43	6.86	32.65	30.08
– calculated based on average number of shares, million	118.4	118.4	118.4	118.4	118.4	118.4

<sup>1)</sup> Refers to the sale of Hjälmare Canal, which is planned to be completed at the beginning of 2025.

<sup>2)</sup> 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.

## Statement of comprehensive income

MSEK	3 months, July–Sept		9 months, Jan–Sept		12 months	
	2024	2023	2024	2023	Oct 2023– Sept 2024	2023
<b>Profit/loss for the period/year</b>	<b>193</b>	<b>44</b>	<b>1,116</b>	<b>812</b>	<b>3,866</b>	<b>3,562</b>
<b>Other comprehensive income</b>						
<i>Components that will not be reversed in profit or loss</i>						
Change in value in land assets (Note 2)	-254	-37	-313	-38	7,565	7,840
Tax on change in value in land assets	33	-15	45	-9	-1,555	-1,609
Actuarial gains/losses relating to pensions	-	-	-	-	-14	-14
Tax on actuarial gains/losses	-	-	-	-	3	3
<i>Components that may be reversed in profit or loss</i>						
Translation differences	-1	-1	1	2	-2	-1
Other comprehensive income from associates	10	-11	-22	-56	29	-5
Tax on other comprehensive income from associates	-1	2	6	12	-5	1
Change in fair value of cash flow hedges for the year	-10	-2	-10	-6	-26	-22
Changes in the fair value of cash flow hedges transferred to profit or loss for the year	0	0	0	0	-6	-6
Tax attributable to cash flow hedges	2	0	2	1	7	6
<b>Total other comprehensive income for the period/year for remaining operations, net after tax</b>	<b>-221</b>	<b>-64</b>	<b>-291</b>	<b>-94</b>	<b>5,996</b>	<b>6,193</b>
Change in value of land assets distributed as dividend (Note 2)	0	0	0	19	-1	18
Tax on change in value in land assets distributed as dividend	-	4	-	-4	-15	-19
<b>Other comprehensive income from operations distributed as dividend</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>15</b>	<b>-16</b>	<b>-1</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR</b>	<b>-28</b>	<b>-16</b>	<b>825</b>	<b>733</b>	<b>9,846</b>	<b>9,754</b>



## The Sveaskog Group

### Comments on the income statement

#### 1 July – 30 September 2024

**Net sales** Net sales increased by 4 per cent to MSEK 1,718 (1,647). Prices of wood raw materials increased by an average of 10 per cent, while total delivery volumes decreased by 8 per cent. Other sales increased by 2 per cent and are mainly attributable to concessions, saplings and other sales.

Sales of wood raw materials amounted to 1,737 (1,867) thousand cubic metres (m<sup>3</sup>sub).

**Operating profit** Operating profit increased by 79 per cent and amounted to MSEK 392 (219). Higher timber prices have been offset by lower volumes from Sveaskog's own forest, as well as increased costs for felling, forest management and nature conservation.

Capital gains from the sale of property amounted to MSEK 3 (2). Share of profits in associates amounted to a loss of MSEK 29 (profit: 13). The net change in the reported value of standing timber amounted to MSEK -39 (-86). After the change in value of forest assets, the operating profit amounted to MSEK 327 (148). Net financial items in the quarter were an expense of MSEK 71 (63). Profit before tax amounted to MSEK 256 (85). Tax amounted to MSEK -26 (-13). Profit for the quarter rose to MSEK 193 (44).

#### 1 January – 30 September 2024

**Net sales** Net sales increased by 4 per cent to MSEK 6,113 (5,873). Prices of wood raw materials increased by an average of 11 per cent, while total delivery volumes decreased by 7 per cent. Other sales attributable to concessions, seedlings and other sales remained largely unchanged.

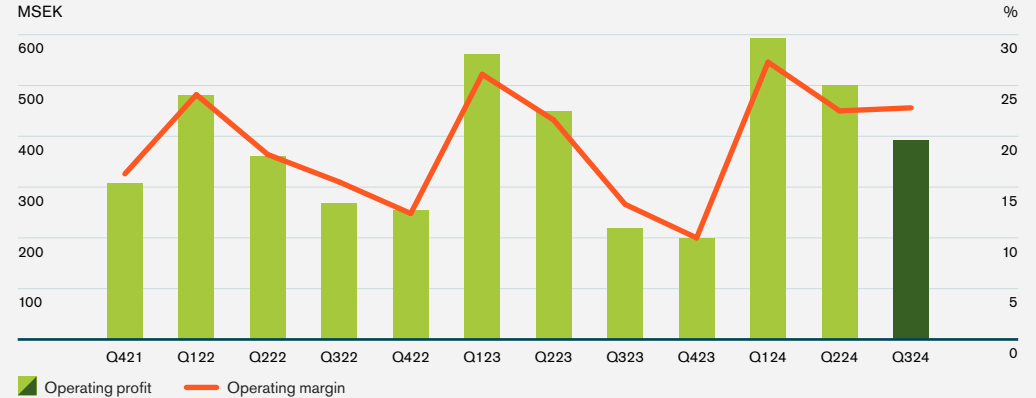
Sales of wood raw materials amounted to 6,159 (7,778) thousand cubic metres (m<sup>3</sup>sub).

**Operating profit** Operating profit increased by 21 per cent and amounted to MSEK 1,484 (1,230).

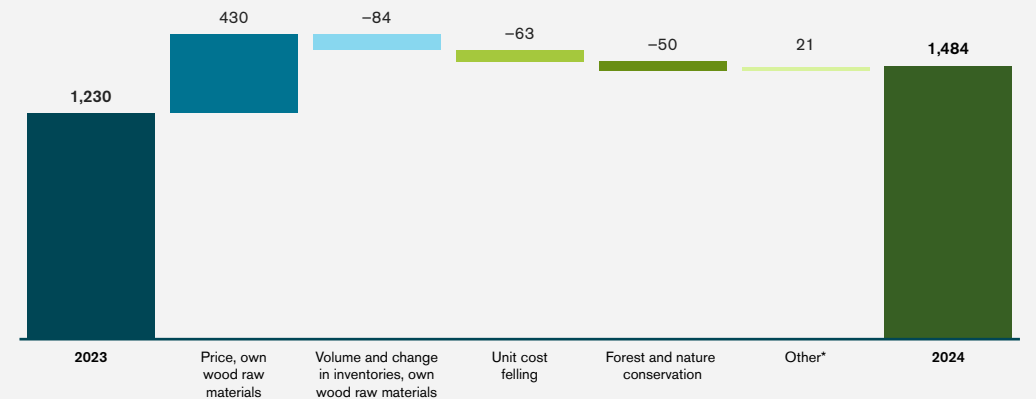
Higher timber prices have been offset by lower volumes from Sveaskog's own forest, as well as increased costs for felling, forest management and nature conservation.

Capital losses from the sale of property amounted to MSEK 3 (gain: 25). Share of profits of associates amounted to a loss of MSEK 61 (profit: 21). The net change in the carrying amount of biological assets amounted to MSEK 160 (-60). After changes in value in biological assets, the operating profit amounted to MSEK 1,580 (1,216). Net financial items during the first three quarters of the year amounted to an expense of MSEK 111 (166). Profit before tax amounted to MSEK 1,469 (1050). Tax amounted to MSEK -316 (-211). Profit for the period increased to sMSEK 1,116 (812).

#### OPERATING PROFIT FROM CONTINUING OPERATIONS



#### CHANGE IN OPERATING PROFIT, JANUARY–SEPTEMBER, MSEK



\* The item otherwise includes resolution of the loss reserve of MSEK 28 that was booked Q3 2023 and that was dissolved in Q3 2024.

## The Sveaskog Group

### Condensed balance sheet

MSEK	30 Sept 2024	30 Sept 2023	31 Dec 2023
<b>Assets (Note 3)</b>			
<b>Non-current assets</b>			
Intangible assets	147	151	149
Forest assets (Note 2, 3)	100,292	89,015	100,221
– of which land assets	49,258	41,687	49,548
– of which biological assets	51,034	47,328	50,673
Other property, plant and equipment	760	669	704
Right-of-use assets	172	166	167
Non-current financial assets, non-interest-bearing	1,268	1,389	1,363
Long-term interest-bearing receivables	111	64	72
<b>Total non-current assets</b>	<b>102,750</b>	<b>91,454</b>	<b>102,676</b>
<b>Current assets</b>			
Inventories	690	656	693
Tax assets	239	188	82
Trade receivables	1,494	1,581	1,581
Other receivables	523	457	389
Cash and cash equivalents	502	1,024	538
Assets held for sale/ dividend	20 <sup>1)</sup>	619 <sup>2)</sup>	–
<b>Total current assets</b>	<b>3,468</b>	<b>4,525</b>	<b>3,283</b>
<b>TOTAL ASSETS</b>	<b>106,218</b>	<b>95,979</b>	<b>105,959</b>

<sup>1)</sup> Refers to the sale of Hjälmare Canal, which is planned to be completed at the beginning of 2025.

<sup>2)</sup> 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	30 Sept 2024	30 Sept 2023	31 Dec 2023
<b>Equity and liabilities</b>			
<b>Equity</b>	<b>73,426</b>	<b>65,775</b>	<b>73,808</b>
<b>Non-current liabilities (Note 3)</b>			
Interest-bearing liabilities and provisions	4,931	6,187	5,848
Lease liabilities, non-current	133	127	128
Other liabilities and provisions	21,620	19,410	21,679
<b>Total non-current liabilities</b>	<b>26,684</b>	<b>25,724</b>	<b>27,655</b>
<b>Current liabilities (Note 3)</b>			
Interest-bearing liabilities and provisions	4,235	2,054	2,841
Leasing liabilities, current	45	44	46
Tax liabilities	374	191	110
Trade payables	951	1,053	1,090
Liability for decided dividends	0	575	–
Other liabilities and provisions	404	441	409
Liabilities attributable to assets held for sale / dividend	100 <sup>1)</sup>	122 <sup>2)</sup>	–
<b>Total current liabilities</b>	<b>6,108</b>	<b>4,480</b>	<b>4,496</b>
<b>Total liabilities</b>	<b>32,793</b>	<b>30,204</b>	<b>32,151</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>106,218</b>	<b>95,979</b>	<b>105,959</b>

### Condensed statement of changes in equity

MSEK	Jan–Sept 2024	Jan–Sept 2023	Full year 2023
<b>Opening equity, 1 January</b>	<b>73,808</b>	<b>66,192</b>	<b>66,192</b>
Total comprehensive income	825	733	9,754
Dividend paid according to Annual General Meeting resolution	–1,207	–1,150	–2,138
<b>CLOSING EQUITY AT END OF PERIOD/YEAR</b>	<b>73,426</b>	<b>65,775</b>	<b>73,808</b>

## The Sveaskog Group

### Condensed cash flow statement

MSEK	Jan–Sept 2024	Jan–Sept 2023	Full year 2023
<b>Operating activities</b>			
<b>Operating profit</b>	<b>1,580</b>	<b>1,216</b>	<b>4,775</b>
Non-cash items, etc.	-7	-98	-3,197
Interest received, etc.	29	25	39
Interest paid	-226	-191	-255
Tax paid	-160	-180	-262
<b>Cash flow from operating activities before changes in working capital</b>	<b>1,216</b>	<b>772</b>	<b>1,100</b>
Changes in working capital	-201	-132	-113
<b>Cash flow from operating activities</b>	<b>1,015</b>	<b>640</b>	<b>987</b>
<b>Investing activities</b>			
Investment in non-current assets	-422	-240	-634
Investments in shares and participations	-10	-7	-7
Dividends from associates	14	266	266
Sale of non-current assets	64	79	117
Sale of shares and participations	91	0	0
Change in interest-bearing receivables	-39	-49	-57
<b>Cash flow from investing activities</b>	<b>-302</b>	<b>49</b>	<b>-315</b>
<b>Financing activities</b>			
Dividend paid <sup>1)</sup>	-1,207	-575	-1,481
Borrowings	4,325	5,050	6,800
Repayment of loans	-3,867	-4,939	-6,252
<b>Cash flow from financing activities</b>	<b>-749</b>	<b>-464</b>	<b>-933</b>
<b>CASH FLOW FOR THE PERIOD/YEAR</b>	<b>-36</b>	<b>225</b>	<b>-261</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>538</b>	<b>799</b>	<b>799</b>
<b>Cash and cash equivalents at the end of the period/year</b>	<b>502</b>	<b>1,024</b>	<b>538</b>

<sup>1)</sup> 2023: Cash dividend MSEK 1,150 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 1,015 (640). The increase is mainly due to changes in working capital. Investments in non-current assets, mainly forest properties and forest machines, amounted to MSEK 422 (240) while investments in shares amounted to MSEK 10 (7). Sales of non-current assets, mainly forest properties, amounted to MSEK 64 (79).

Sveaskog's interest-bearing net debt amounted to SEK 8,730 (7,324) as of 30 September. At the end of the period, the loan portfolio consisted mainly of loans issued under Sveaskog's MTN programme and a

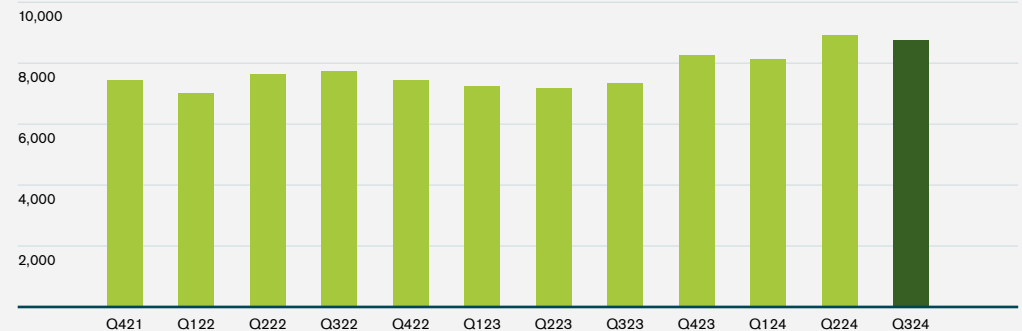
Swedish commercial paper programme. The loan volume under the Swedish commercial paper programme amounted to MSEK 1,425 (1,300), which is refinanced on an ongoing basis. The outstanding volume under the MTN programme at 30 September was MSEK 6,750 (5,940), of which MSEK 6,350 (4,400) refers to green bonds. The lowest average net fixed interest period during the year was around 21 months (24).

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

The interest coverage ratio was 6.6 (6.4) and the gross borrowing cost was 3.41 (2.67) per cent.

#### NET INTEREST-BEARING DEBT

MSEK



# Parent company

## Condensed income statement

MSEK	3 months, July–Sept		9 months, Jan–Sept		12 months	
	2024	2023	2024	2023	Oct 2023– Sept 2024	2023
Operating income	11	10	33	34	43	44
Operating expenses	–1	0	–3	–2	–3	–2
<b>Operating profit</b>	<b>10</b>	<b>10</b>	<b>30</b>	<b>32</b>	<b>40</b>	<b>42</b>
Financial items	–111	–106	–323	–273	–436	–386
<b>Profit/loss before appropriations and tax</b>	<b>–101</b>	<b>–96</b>	<b>–293</b>	<b>–241</b>	<b>–396</b>	<b>–344</b>
Group contributions	–	–	–	–	863	863
Provisions to untaxed reserves	–	–	–	–	–160	–160
<b>Profit/loss before tax</b>	<b>–101</b>	<b>–96</b>	<b>–293</b>	<b>–241</b>	<b>307</b>	<b>359</b>
Tax	60	20	60	50	–89	–99
<b>PROFIT/LOSS FOR THE PERIOD/YEAR</b>	<b>–41</b>	<b>–76</b>	<b>–233</b>	<b>–191</b>	<b>218</b>	<b>260</b>

## Condensed balance sheet

MSEK	30 Sept 2024	30 Sept 2023	31 Dec 2023
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	36	36	36
<b>Total property, plant and equipment</b>	<b>36</b>	<b>36</b>	<b>36</b>
<b>Non-current financial assets</b>			
Shares in Group companies	24,934	24,984	24,934
Receivables from Group companies, interest-bearing	400	399	400
<b>Total non-current financial assets</b>	<b>25,334</b>	<b>25,383</b>	<b>25,334</b>
<b>Total non-current assets</b>	<b>25,370</b>	<b>25,419</b>	<b>25,370</b>
<b>Current assets</b>			
Current receivables etc., non-interest bearing	195	139	50
Receivables from Group companies, non-interest-bearing	0	3	866
Receivables from Group companies, interest-bearing	814	408	101
Cash and cash equivalents	–	0	0
<b>Total current assets</b>	<b>1,009</b>	<b>550</b>	<b>1,017</b>
<b>TOTAL ASSETS</b>	<b>26,379</b>	<b>25,969</b>	<b>26,387</b>
<b>Equity and liabilities</b>			
<b>Equity</b>	<b>12,700</b>	<b>14,050</b>	<b>14,140</b>
<b>Untaxed reserves</b>	<b>468</b>	<b>308</b>	<b>468</b>
<b>Non-current liabilities</b>			
Interest-bearing non-current liabilities	4,744	5,992	5,643
<b>Total non-current liabilities</b>	<b>4,744</b>	<b>5,992</b>	<b>5,643</b>
<b>Current liabilities</b>			
Liabilities to Group companies, interest-bearing	4,011	2,874	3,133
Other liabilities, interest-bearing	4,207	2,019	2,815
Liabilities to Group companies, non-interest-bearing	0	–	2
Liability for decided dividends	–	575	–
Other liabilities and provisions	249	151	186
<b>Total current liabilities</b>	<b>8,467</b>	<b>5,619</b>	<b>6,136</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>26,379</b>	<b>25,969</b>	<b>26,387</b>

## Parent company

### Condensed statement of changes in equity

MSEK	Jan–Sept 2024	Jan–Sept 2023	Full year 2023
Opening equity, 1 January	14,140	15,391	15,391
Dividend according to Annual General Meeting resolution	-1,207	-1,150	-1,150
Dividend according to Extraordinary General Meeting resolution			-361
Profit/loss for the period/year	-233	-191	260
<b>CLOSING EQUITY AT END OF PERIOD/YEAR</b>	<b>12,700</b>	<b>14,050</b>	<b>14,140</b>

### Condensed cash flow statement

MSEK	Jan–Sept 2024	Jan–Sept 2023	Full year 2023
Cash flow from operating activities	-1,128	-244	-364
Cash flow from investing activities	101	3	-7
Cash flow from financing activities	1,027	241	371
<b>CASH FLOW FOR THE PERIOD/YEAR</b>	<b>0</b>	<b>0</b>	<b>0</b>
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–SEPT 2024, MSEK

6,113

OPERATING PROFIT JAN–SEPT 2024, MSEK

1,580

## 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–September totalled MSEK 33 (34), of which MSEK 1 (3) was

accounted for by capital gains from sales of forest land. The loss after financial items amounted to MSEK 293 (241). 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.

SVEASKOG'S SHARE OF PROFIT/LOSS FROM ASSOCIATES Q3 2024, MSEK

**-29**

- Setra Group, -29
- SunPine, -3
- ShoreLink, 3

SVEASKOG'S SHARE OF PROFIT/LOSS FROM ASSOCIATES ACCUMULATED JAN-SEPT 2024, MSEK

**-61**

- Setra Group, -71
- SunPine, 3
- ShoreLink, 7



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–September amounted to MSEK 3,806 (3,989). The operating profit amounted to MSEK -114 (-46). Sveaskog's share of earnings in the company adjusted for intra-group profits decreased by MSEK 46 to a loss of MSEK 71 (25). Sveaskog's share of Setra's other comprehensive income amounted to an expense of MSEK 16 (44).



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–September amounted to MSEK 2,071 (3,039). The operating profit amounted to MSEK 2 (207). Sveaskog's share of the company's profit decreased by 93 per cent to MSEK 3 (43).



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–September 2024 reports the share of the associate's profit/loss for the period December 2023 to August 2024, while the figures for the previous year cover the period from December 2022 to August 2023. Net sales for this period amounted to MSEK 281 (240) and the operating profit for the same period amounted to MSEK 29 (11). Sveaskog's share of the company's profit or loss amounted to MSEK 7 (3.9).

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	3,806	-114	-71	-16	Jan–Sept 2024
SunPine AB	2,071	2	3	N/A	Jan–Sept 2024
ShoreLink AB	281	29	7	N/A	Dec 2023–Sept 2024

# Notes

## Accounting principles

The year-end 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 International Financial Reporting Standards (IFRS) 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 second quarter of 2024, see Note 2 in this interim report.

## NOTE 1 | Revenues from contracts with customers

MSEK	Jan–Sept 2024	Jan–Sept 2023	Oct 2023– Sept 2024	Full year 2023
Sawlogs	2,379	2,348	3,220	3,189
Pulpwood and woodchips	3,017	2,841	3,969	3,793
Biofuel	102	98	151	147
Seedlings	253	259	320	326
Other	188	107	247	166
<b>Total revenues from contracts with customers</b>	<b>5,939</b>	<b>5,653</b>	<b>7,907</b>	<b>7,621</b>
Of which IFRS 15 in net sales	5,939	5,651	7,906	7,618
Lease income	174	222	197	245
<b>Total net sales</b>	<b>6,113</b>	<b>5,873</b>	<b>8,103</b>	<b>7,863</b>
IFRS 15 in other operating income	2	2	3	3
Capital gains, etc.	72	75	87	90
<b>Total other operating income</b>	<b>74</b>	<b>77</b>	<b>90</b>	<b>93</b>
<b>Date of revenue recognition</b>				
Goods transferred to customers on a specific date	5,859	5,581	7,786	7,508
Goods and services transferred to customers over time	80	72	121	113
<b>Contract assets and contractual liabilities</b>				
Contract assets	25	19	23	17
Contract liabilities	0	0	0	0

Sveaskog has unfulfilled performance obligations for sales contracts with a term of more than 12 months of MSEK 10,808 (2,618). 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 1,055 (3,672) reported for last year, MSEK 777 (1,046) referred to January–September 2024.

## NOTE 2 | Valuation of forest assets

Sveaskog's total land holdings amount to 3.89 million hectares, of which 3.02 million 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 SVEFA. 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 30 September 2024 has been calculated at MSEK 100,292 (89,015), of which MSEK 51,034 (47,328) refers to the fair value of the standing timber and MSEK 49,258 (41,687) refers to the fair value of the land. The change in the balance sheet since the previous year-end is MSEK 71 (153) 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 at right) 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 million m<sup>3</sup>sub per year (5.1). This level is estimated to increase steadily until 2033, to then remain at a level of approximately 6.8 million m<sup>3</sup>sub (6.8) until 2037. The level is then estimated to decrease slightly to approximately 6.3 million m<sup>3</sup>sub (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 (GROT), which are primarily used as fuel wood; this volume is not included in the valuation.

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

	30 September 2024	30 September 2023
<b>Total forest assets</b>		
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
<b>Biological assets, standing timber</b>		
Discount rate	4.50%	4.50%
Revenue	10-year average	10-year average
Nominal price increase	2.00% per year	2.00% per year
Costs	Normal cost <sup>1)</sup>	Normal cost <sup>1)</sup>
Nominal cost increase	2.00% per year	2.00% per year

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

The 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 2023 (Note 14, pages 93–95).

### TOTAL FOREST ASSETS – BIOLOGICAL ASSETS AND FOREST LAND

MSEK	
<b>Fair values</b>	
Opening balance, 1 January 2023	89,489
Change during the year	144
<b>Closing values, 30 September 2023</b>	<b>89,633</b>
Less assets held for dividend	-618
<b>Carrying amount, 30 September 2023</b>	<b>89,015</b>
Deferred tax attributable to forest assets	18,467
Less deferred tax attributable to forest assets held for dividend	-122
<b>Carrying amount of deferred tax attributable to forest assets, 30 September 2023</b>	<b>18,345</b>
<b>Opening value, 1 January 2024</b>	<b>100,221</b>
Change during the year	71
<b>Closing values, 30 September 2023</b>	<b>100,292</b>
Less assets held for dividend	-
<b>Carrying amount, 30 September 2023</b>	<b>100,292</b>
Deferred tax attributable to forest assets	19,911
Less deferred tax attributable to forest assets held for dividend	0
<b>Carrying amount of deferred tax attributable to forest assets, 30 September 2024</b>	<b>19,911</b>



## Notes

### FOREST ASSETS OF WHICH BIOLOGICAL ASSETS

MSEK	
Fair values	
Opening balance, 1 January 2023	47,460
Acquisition of biological assets	22
Sale of biological assets	-10
Changes due to felling	-636
Unrealised change in fair value	748
<b>Closing values, 30 September 2023</b>	<b>47,584</b>
Less assets held for dividend	-256
<b>Carrying amount, 30 September 2023</b>	<b>47,328</b>
<b>Opening value, 1 January 2024</b>	<b>50,673</b>
Acquisition of biological assets	22
Sale of biological assets	-16
Changes due to felling	-639
Unrealised change in fair value	994
<b>Closing values, 30 September 2023</b>	<b>51,034</b>
Less assets held for dividend	-
<b>Carrying amount, 30 September 2023</b>	<b>51,034</b>

### FOREST ASSETS OF WHICH FOREST LAND

MSEK	
Fair values	
Opening balance, 1 January 2023	42,028
Acquisition of forest land	50
Sale of forest land	-9
Unrealised change in fair value	-20
<b>Closing values, 30 September 2023</b>	<b>42,049</b>
Less assets held for dividend	-362
<b>Carrying amount, 30 September 2023</b>	<b>41,687</b>
<b>Opening value, 1 January 2024</b>	<b>49,548</b>
Acquisitions of forest land	38
Sale of forest land	-14
Unrealised change in fair value	-314
<b>Closing values, 30 September 2023</b>	<b>49,258</b>
Less assets held for dividend	-
<b>Carrying amount, 30 September 2023</b>	<b>49,258</b>

## 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	
	30 Sept 2024	31 Dec 2023	30 Sept 2024	31 Dec 2023	30 Sept 2024	31 Dec 2023
<b>Assets</b>						
Forest assets						
Biological assets	–	–	–	–	51,034	50,673
Forest land	–	–	–	–	49,258	49,548
Interest-bearing non-current liabilities	111	72	–	–	–	–
Derivative instruments	–	–	6	28	–	–
<b>Total assets</b>	<b>111</b>	<b>72</b>	<b>6</b>	<b>28</b>	<b>100,292</b>	<b>100,221</b>
<b>Liabilities</b>						
Non-current liabilities	–	–	6,163	5,704	–	–
Current liabilities	–	–	3,125	2,813	–	–
Derivative instruments	–	–	1	3	–	–
<b>Total liabilities</b>	<b>0</b>	<b>0</b>	<b>9,289</b>	<b>8,520</b>	<b>0</b>	<b>0</b>

#### 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.

#### Measurement techniques used to calculate fair values in Level 3

The measurement technique is shown in Note 2.

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.

#### Issuers (Finance/ Group)

In January–September 2024, Sveaskog issued MSEK 3,525 (3,550) under the commercial paper programme and MSEK 800 (1,500) under the MTN programme.

# Other information

## Transfer

Hjälmare Kanal AB is expected to be transferred to AB Göta Kanalbolag at the beginning of 2025.

## 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.

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 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.

The Board of Directors and CEO 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, 25 October 2024

Sveaskog AB (publ) 556558-0031

Kerstin Lindberg Göransson  
Chair of the Board

Cecilia Ardröm  
Board member

Marie Berglund  
Board member

Uno Brinnen  
Board member

Elisabet Salander Björklund  
Board member

Timo van't Hoff  
Board member

Måns Nilsson  
Board member

Stefan Öhlén  
Board member

Kenneth Andersson  
Employee representative

Sara Östh  
Employee representative

Erik Brandsma  
President and CEO

# Review report

To the Board of Directors of Sveaskog AB (publ), Corp. ID no. 556558-0031

## Introduction

We have conducted a review of the condensed interim financial information (the interim report) for Sveaskog AB (publ) as of 30 September 2024 and the nine-month period ending on that date. Responsibility for preparing and presenting this interim report in accordance with IAS 34 and the Annual Accounts Act rests with the Board of Directors and Chief Executive Officer. Our responsibility is to express a conclusion on this interim report based on our review.

## Focus and scope of the review

We have carried out our review in accordance with the International Standard on Review Engagements ISRE 2410. Review of interim financial information by the company's elected auditor. A review involves posing questions, primarily to persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and significantly narrower scope than a full audit conducted in accordance with ISA and generally accepted auditing standards. The review procedures performed in a review do not enable us to obtain

a degree of certainty that would make us aware of all important circumstances that would have been identified if an audit had been conducted. The conclusion based on a review therefore does not have the same certainty as a conclusion based on an audit.

## Conclusion

Based on our review, we have not discovered any circumstances that would give us reason to consider that the interim report has not, in all material respects, been prepared, in respect of the Group, in accordance with IAS 34 and the Annual Accounts Act and, in respect of the parent company, in accordance with the Annual Accounts Act.

Stockholm, 25 October 2024

KPMG AB

**Joakim Thilstedt**

Authorised Public Accountant



# Quarterly overview for the Sveaskog Group

## Income statements, MSEK

Quarterly overview	2024 Q3	2024 Q2	2024 Q1	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2022 Q4
Net sales	1,718	2,224	2,170	1,990	1,647	2,075	2,151	2,044
Other operating income	15	14	43	16	23	19	35	28
Operating expenses	-1,295	-1,695	-1,578	-1,767	-1,410	-1,604	-1,585	-1,778
Depreciation/amortisation and impairment	-46	-43	-42	-40	-41	-41	-39	-40
<b>Operating profit from continuing operations</b>	<b>392</b>	<b>500</b>	<b>593</b>	<b>199</b>	<b>219</b>	<b>449</b>	<b>562</b>	<b>254</b>
Capital gains on property sales	3	-2	-4	5	2	21	2	1
Share of profit/loss in associates	-29	5	-37	-81	13	14	-6	-28
<b>Operating profit before change in value in biological assets</b>	<b>366</b>	<b>503</b>	<b>552</b>	<b>123</b>	<b>234</b>	<b>484</b>	<b>558</b>	<b>227</b>
Change in value in biological assets	-39	168	31	3,436	-86	-279	305	179
<b>Operating profit</b>	<b>327</b>	<b>671</b>	<b>583</b>	<b>3,559</b>	<b>148</b>	<b>205</b>	<b>863</b>	<b>406</b>
Net financial income/expense	-71	29	-68	-60	-63	-56	-47	-41
<b>Profit/loss before tax</b>	<b>256</b>	<b>700</b>	<b>515</b>	<b>3,499</b>	<b>85</b>	<b>149</b>	<b>816</b>	<b>365</b>
Tax	-26	-176	-113	-722	-13	-27	-169	-77
<b>Profit/loss from continuing operations</b>	<b>230</b>	<b>524</b>	<b>402</b>	<b>2,777</b>	<b>72</b>	<b>122</b>	<b>647</b>	<b>288</b>
Profit/loss from activities to be discontinued/distributed	-37	-	-	-27	-28	1	-	-
<b>Earnings</b>	<b>193</b>	<b>524</b>	<b>402</b>	<b>2,750</b>	<b>44</b>	<b>123</b>	<b>647</b>	<b>288</b>

## Balance sheets, MSEK

Quarterly overview	2024 Q3	2024 Q2	2024 Q1	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2022 Q4
Non-current assets, non-interest-bearing	102,640	102,871	102,638	102,604	91,390	91,358	91,668	91,411
Non-current receivables, interest-bearing	111	89	78	72	64	51	30	15
Inventories	690	620	769	693	656	596	716	649
Current receivables, non-interest bearing	2,256	2,505	2,474	2,052	2,226	2,010	2,032	1,879
Cash and cash equivalents and interest-bearing receivables	502	592	689	538	1,024	1,189	1,072	799
Assets held for discontinuation/dividend	20	-	-	-	619	653	651	627
<b>Total assets</b>	<b>106,219</b>	<b>106,677</b>	<b>106,648</b>	<b>105,959</b>	<b>95,979</b>	<b>95,857</b>	<b>96,169</b>	<b>95,380</b>
Equity	73,426	73,456	74,174	73,808	65,775	66,366	66,820	66,192
Non-interest-bearing liabilities	23,527	23,629	23,591	23,288	21,670	20,941	20,887	20,817
Interest-bearing liabilities	9,166	9,592	8,883	8,863	8,412	8,418	8,333	8,247
Liabilities for assets held for discontinuation/dividend	100	-	-	-	122	132	129	124
<b>Total equity and liabilities</b>	<b>106,219</b>	<b>106,677</b>	<b>106,648</b>	<b>105,959</b>	<b>95,979</b>	<b>95,857</b>	<b>96,169</b>	<b>95,380</b>

## KPIs

Financial KPIs	2024 Q3	2024 Q2	2024 Q1	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2022 Q4
Net debt/equity ratio, times	0.12	0.12	0.11	0.11	0.11	0.11	0.11	0.11
Adjusted operating capital (excluding deferred tax), MSEK <sup>1)</sup>	42,724	42,699	42,443	42,179	39,280	39,813	40,385	39,850
Return on adjusted operating capital, % <sup>2)</sup>	3.8	3.4	3.3	3.3	3.8	4.1	4.5	4.9
Adjusted operating capital excluding equity participation in associates (and deferred tax), MSEK	41,485	41,428	41,180	40,849	37,908	38,417	38,749	38,189
Return on adjusted operating capital excluding associates, % <sup>2)</sup>	4.2	3.8	3.6	3.6	3.9	4.1	3.8	3.6
Equity ratio, %	69	69	70	70	69	69	69	69
Return on equity, % <sup>2)</sup>	5.6	5.3	4.7	5.1	1.7	2.2	3.0	3.1
Rate of capital turnover, operating capital, times	0.10	0.11	0.11	0.10	0.11	0.11	0.11	0.11
Interest coverage ratio, times <sup>2) 3)</sup>	5.6	5.2	4.9	5.3	6.4	8.2	11.1	14.5
Operating margin, %	19.1	30.2	26.8	178.8	9.0	9.9	40.1	19.9
Net interest-bearing debt, MSEK	8,730	8,912	8,117	8,253	7,324	7,177	7,231	7,433
Average interest rate in loan portfolio, %	3.41	3.48	3.16	2.95	2.67	2.49	2.37	1.19
Average net fixed interest period, months	21	23	25	24	24	23	23	24

Other KPIs	2024 Q3	2024 Q2	2024 Q1	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2022 Q4
<i>Investments, MSEK</i>								
Business acquisitions and investments in shares	34	0	38	106	51	21	3	-
Other investments	126	171	63	535	75	60	37	44
<i>Staff</i>								
Number of employees at the end of the period	823	816	816	804	780	769	752	739
Average number of employees	812	884	877	880	837	861	815	810

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

<sup>2)</sup> Rolling 12 months.

<sup>3)</sup> 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	Oct 2023– Sept 2024	Oct 2022– Sept 2023	Full year 2023
Profit for the year	3,867	1 100	3,562
Adjustment of profit/loss for the year at full-year value	3,867	1 100	3,562
Equity, opening balance	65,775	63,027	66,192
Equity, closing balance	73,426	65,775	73,808
Average equity (OB + CB)/2	69,601	64,401	70,000
Profit for the year	3,867	1,100	3,562
Divided by average equity	69,601	64,401	70,000
= Return on equity, %	5.6%	1.7%	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	Oct 2023– Sept 2024	Oct 2022– Sept 2023	Full year 2023
Operating profit before change in value in biological assets	1,543	1,503	1,399
Less capital gains on property sales	-2	-26	-30
<b>Subtotal</b>	<b>1,541</b>	<b>1,477</b>	<b>1,369</b>
Adjusted subtotal at full-year value	1,541		1,369
Adjusted operating capital OB	39,280	39,275	39,850
Adjusted operating capital CB	42,724	39,280	42,179
Average adjusted operating capital (OB + CB)/2	41,002	39,278	41,015
Subtotal as above	1,541	1,477	1,369
Divided by average adjusted operating capital	41,002	39,278	41,015
= Return on adjusted operating capital, %	3.8%	3.8%	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	Oct 2023– Sept 2024	Oct 2022– Sept 2023	Full year 2023
Operating profit before change in value in biological assets	1,543	1,503	1,399
Less capital gains on property sales	-2	-26	-30
Less equity participation in associates	142	7	60
<b>Subtotal</b>	<b>1,683</b>	<b>1,484</b>	<b>1,429</b>
Adjusted Operating profit at full-year value	1,683	1,484	1,429
Adjusted operating capital excl. equity participations in associates OB	37,908	37,561	38,189
Adjusted operating capital excl. equity participations in associates CB	41,485	37,908	40,849
Average adjusted operating capital excl. equity interests in associates (OB + CB)/2	39,697	37,735	39,519
Subtotal as above	1,683	1,484	1,429
Divided by average adjusted operating capital, excluding equity participation in associates	39,697	37,735	39,519
= Return on adjusted operating capital excluding equity participation in associates, %	4.2%	3.9%	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	Sept 2024	Sept 2023	Full year 2023
Other liabilities and provisions	778	1,207	518
– of which tax liabilities	374	191	110
– of which liability for decided dividends	0	575	–
– of which other liabilities and provisions	404	441	408
Balance sheet total	106,219	95,979	105,959
Less interest-bearing assets (cash and cash equivalents)	–502	–1,024	–538
Less interest-bearing receivables (non-current)	–111	–64	–72
Less tax assets	–219	–188	–82
Less other liabilities and provisions (non-current)	–21,620	–19,410	–21,679
Less trade payables	–951	–1,053	–1,090
Less liability for decided dividends	0	–575	–
Less other liabilities and provisions (current)	–404	–441	–408
= Operating capital, MSEK	82,412	73,224	82,090
Restoration of land value	–49,258	–41,687	–49,548
Restoration of land value of assets subject to dividend	0	–362	–
Deferred tax attributable to land value	9,570	8,032	9,637
Deferred tax attributable to the land value of assets subject to dividend	0	73	–
<b>= Adjusted operating capital, MSEK</b>	<b>42,724</b>	<b>39,280</b>	<b>42,179</b>
Less equity participation in associates	–1,239	–1,372	–1,330
<b>= Adjusted operating capital excl. equity participations in associates, MSEK</b>	<b>41,485</b>	<b>37,908</b>	<b>40,849</b>

### 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	Sept 2024	Sept 2023	Full year 2023
Net interest-bearing debt	8,730	7,324	8,253
Divided by equity	73,426	65,775	73,808
<b>= Net debt/equity ratio, times</b>	<b>0.12</b>	<b>0.11</b>	<b>0.11</b>

### 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 has not been changed since previous periods.

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

Net interest-bearing debt	Sept 2024	Sept 2023	Full year 2023
Interest-bearing assets (cash and cash equivalents and non-current receivables)	613	1,088	610
Interest-bearing liabilities and provisions (non-current)	–4,930	–6,187	–5,848
Lease liabilities, non-current	–133	–127	–128
Interest-bearing liabilities, MSEK	–4,235	–2,054	–2,841
Leasing liabilities, current	–45	–44	–46
<b>= Net interest-bearing debt, MSEK</b>	<b>–8,730</b>	<b>–7,324</b>	<b>–8,253</b>

## 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	Oct 2023– Sept 2024	Oct 2022– Sept 2023	Full year 2023
Financial items in the income statement	-171	-207	-226
– of which financial income	130	28	39
– of which financial expenses	-300	-235	-265
Operating profit before change in value in biological assets	1,543	1,503	1,399
Less capital gains on property sales	-2	-26	-30
Plus financial income	130	28	39
<b>Subtotal</b>	<b>1,671</b>	<b>1,505</b>	<b>1,408</b>
Subtotal as above	1,671	1,505	1,408
Divided by financial expenses	300	235	265
<b>= Interest coverage ratio, times</b>	<b>5.6</b>	<b>6.4</b>	<b>5.3</b>

### 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 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	Sept 2024	Sept 2023	Full year 2023
Equity	73,426	65,775	73,808
Divided by total assets	106,219	95,979	105,959
<b>= Equity ratio,%</b>	<b>69%</b>	<b>69%</b>	<b>70%</b>

### Definitions

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

**Cleaning index.** This index consists of two components of equal weight: the quality of the cleaning 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.

**Conservation burning.** This index shows the number of hectares where conservation burning was carried out, which is a planned and set 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.



# Upcoming reports

-  Year-end report 2024 29 January 2025
-  Annual Report and Sustainability Report 17 March 2025

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

## Contact

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

Claes Rasmusson, 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](mailto:info@sveaskog.se)  
[www.sveaskog.se](http://www.sveaskog.se)  
[facebook.com/sveaskog](https://facebook.com/sveaskog)  
[x.com/sveaskog](https://x.com/sveaskog)