

# Interim Report

## January – June 2024

MSEK	3 months, Apr-Jun			6 months, Jan-Jun			12 months		
	2024	2023	%	2024	2023	%	Jul 2023– Jun 2024	2023	%
Net sales	2,224	2,075	7%	4,394	4,226	4%	8,031	7,863	2%
Operating profit from continuing operations	500	449	11%	1,092	1,011	8%	1,510	1,429	6%
Share of profit/loss in associates	5	14	-64%	-32	8	N/A	-100	-60	67%
Change in value in biological assets	168	-279	N/A	199	26	665%	3,549	3,376	5%
Operating profit	671	205	227%	1,253	1,068	17%	4,960	4,775	4%
Profit/loss before tax	700	149	370%	1,213	965	26%	4,797	4,549	5%
Profit/loss from continuing operations	524	121	333%	924	768	20%	3,772	3,616	26%
Profit/loss from operations subject to dividend	0	0	0%	0	0	0%	-54	-54	0%
Profit/loss for the period	524	121	333%	924	768	20%	3,718	3,562	4%
Cash flow from operating activities	459	485	42%	690	703	0%	987	987	0%
Earnings per share, SEK	4.43	1.03	330%	7.80	6.49	20%	31.39	30.08	4%

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

MSEK	6 months, Jan-Jun		12 months	
	2024	2023	Jul 2023– Jun 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>	3.4	4.1	3.4	3.3
Return on adjusted operating capital excluding equity participation in associates (& deferred tax), % (target >2.5%) <sup>1) 2)</sup>	3.8	4.1	3.8	3.6
Return on equity, % <sup>2)</sup>	5.3	2.2	5.3	5.1
Interest coverage ratio, times <sup>2) 3)</sup>	5.2	8.2	5.2	5.3
Equity ratio, %	69	69	69	70
Net interest-bearing debt, MSEK	8,912	7,177	8,912	8,253
Average number of employees	884	861	884	880
Total delivery volume, thousand m <sup>3</sup> sub	4,442	4,876	8,477	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.

## Good demand and continued high prices

### 1 April – 30 June 2024

- Net sales increased by 7 per cent to MSEK 2,224 (2,075). Timber prices increased by an average of 11 per cent, while delivery volumes decreased by 2 per cent. Other sales decreased 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 20 per cent from the corresponding quarter of the previous year.
- Operating profit increased by 11 per cent and amounted to MSEK 500 (449). Higher timber prices have been offset by increased costs for felling, forest management and nature conservation.
- Share of profits of associates amounted to MSEK 5 (14).
- The reported net change in value of standing timber amounted to MSEK 168 (-279<sup>1)</sup>).
- Profit for the quarter amounted to MSEK 524 (121), equivalent to SEK 4.43 (1.03) per share.

### 1 January – 30 June 2024

- Net sales increased by 4 per cent to MSEK 4,394 (4,226). Timber prices increased by an average of 12 per cent, while delivery volumes decreased by 7 per cent. Other sales decreased by 1 per cent.
- 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 8 per cent and amounted to MSEK 1,092 (1,011). 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 MSEK -32 (8).
- The reported net change in value of biological assets amounted to MSEK 199 (26<sup>1)</sup>).
- Profit for the period amounted to MSEK 924 (768), equivalent to SEK 7.80 (6.49) per share.

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



CEO's comments

## Focus on market and efficiency delivers results

“As Sweden’s largest forest owner, we want to contribute to strengthening the value of the Swedish forest and meeting industry’s need for wood raw materials.”

The market for Sveaskog’s products remained good during the quarter and more and more customers value our delivery reliability. The prices for all product ranges developed well and are at an all-time high from the north to the south. We are currently experiencing a strong pulp market with good demand for packaging and kraftliner. The sawmills are still in a tough situation with high raw material prices and a weak construction market in large parts of Europe. In the short term, the construction market is uncertain due to the continued relatively high interest rates. Energy wood prices are still high despite the summer season and we expect them to remain high into this autumn when stocks are to be filled for the winter.

The market situation due to timber shortages continues to have a positive impact on earnings. Operating profit for the second quarter of 2024 amounted to MSEK 500, which was 11 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 11 per cent from the corresponding quarter of the previous year.

### We balance several interests in the forest

Swedish forestry is in transition. Sveaskog is working to make our forestry more varied. The goal is both vibrant future forests and a secure raw materials supply. There are many benefits of varied forestry: it strengthens the long-term vitality and growth capacity of the forests, counteracts negative effects of climate change and ensures biodiversity while at the same time helping to develop coexistence with reindeer husbandry and promotes well-being in the countryside.

We are working to find a balance between securing wood raw materials for industry and set-asides to ensure consideration of nature conservation and social interests. Green carbon atoms are increasingly being discussed and with this there is an increased interest in our land holdings from the energy, steel, transport and infrastructure sectors. In addition, the country's preparedness and defence needs are increasingly debated and our land and forest raw materials have a role to play in these matters.

The responsibility for balancing all of these interests and optimising value creation and conducting a more varied forestry are important parts of our strategy.

### Efficiency of operations

In the past two years, we have worked intensively to streamline timber flows in the business, from planning to delivery to customer. With an organisation that manages timber flows across Sweden and five regions that drive the implementation of the new strategy, we are optimising revenues and reducing costs. We have also invested in new resources and skills in the business to address today's challenges in terms of, for example, coexistence with the reindeer industry, nature inventories, forest planning, new business in the countryside, and developing our capabilities in AI and digitalisation.

### Increased timber prices

As Sweden's largest forest owner, we want to contribute to strengthening the value of the Swedish forest and meeting industry's need for wood raw materials. On 1 May, we therefore raised the prices of timber and pulpwood

“We are involved in enabling the transition to less fossil dependence and reduced carbon dioxide emissions in society.”

in much of the country. All timber ranges and the price of all coniferous pulpwood were adjusted up. The price increase also contributes to creating better conditions for active forestry among the country's private forest owners.

### Technical development and innovative cooperation

The ongoing green transition, driven by the climate crisis, is helping to develop the company's existing business, but is also creating opportunities for new business. Through our expertise in wood raw materials, we can contribute to broadening the sales of forest owners' products and the utilisation of the forest's green carbon atoms. We are involved in enabling the transition to less fossil dependence and reduced carbon dioxide emissions in society.

In April, we published a statement of intent on a preliminary study aimed at establishing a value chain for hydrogen and biofuels in Västerbotten. The study will evaluate the technical potential of a large-scale industrial cluster in the production and use of sustainably produced energy, such as biocarbon and hydrogen. Together with Boliden, Nevel and Skellefteå Kraft, we are evaluating a possible solution for significantly reduced emissions in connection with metal production at the smelter in Rönnskär. The long-term objective is to make it possible to phase-out fossil fuel.

### Dividend to the owner for the 2023 financial year

Sveaskog's 2024 Annual General Meeting was held on 24 April. The Annual General Meeting adopted the income statement and balance sheet for 2023 and granted discharge from liability to the Board and the CEO. The Annual General Meeting established a dividend of SEK 1,207,000,000 for the 2023 fiscal year to the Swedish State, which is in line with the financial targets. The Annual General Meeting re-elected Kerstin Lindberg Göransson, Marie Berglund, Uno Brinnen, Måns Nilsson, Elisabet Salander Björklund and Timo van't Hoff as members of the Board of Directors. Cecilia Ardström and Stefan Öhlén were appointed new members of the Board.

### Season for start-up work and fire preparedness

Spring and early summer are a busy period in our business, especially in the northern parts of the country where the season is short. This period also includes the review of fire preparedness – work that is becoming increasingly important as relative humidity decreases and the risk of fire increases throughout the country.

In May and June, we noted high fire risks, but we had relatively few fires. In May, we gathered Sveaskog's managers for a few days to network and discuss the leadership of the future. Our committed managers are a prerequisite for our continued transition and the formation of a successful enterprise.

Lastly, I would like to thank all the managers and employees for the strong earnings and wish everyone – as well as our customers, suppliers, contractors and partners – a good summer!

**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, with the European market being the most important one. 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 second quarter of 2024, Sveaskog experienced good demand for its entire product range with rising prices. 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. New business opportunities for Sveaskog's timber harvest are becoming increasingly evident, even with operators completely new to the forest industry.

## Sawmills

During the spring, Sveaskog's sawmill customers signalled weak demand for sawn timber driven by lower activity in the construction sector. Despite weak demand, sawmill prices rose at the beginning of 2024 as the global supply of timber decreased. We assess that the trend will continue of deliveries of timber from Sveaskog 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 second quarter and are now historically high throughout Sweden. Demand for timber is very good heading into the second half of 2024.

During the second quarter, Sveaskog delivered 854 thousand m<sup>3</sup>sub (973) of sawlogs, which is a decrease of 14 per cent from the

same period last year. For the period July 2023 to June 2024, deliveries amounted to 3,223 thousand m<sup>3</sup>sub (3,940).

## Pulp and paper industry

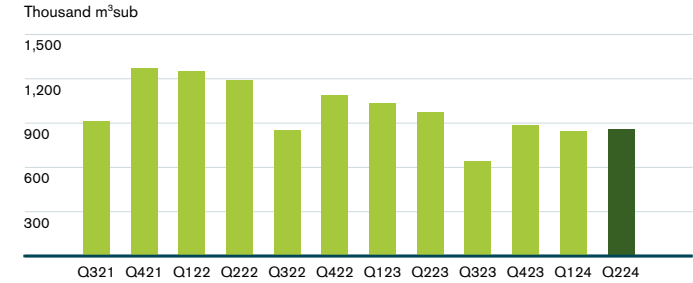
The market for pulp from the Swedish forest industry proved to be strong in the first half of 2024. The market for packaging materials, which is important for several of Sveaskog's customers of pulpwood, also improved in the second quarter. The good market conditions for Swedish and Finnish fibre industries mean that full production is now planned for the remainder of the year. Interest in pulpwood deliveries from Sveaskog is high and therefore prices have been pushed up. Sveaskog's deliveries of pulpwood and wood chips in the second quarter amounted to 1,242 thousand m<sup>3</sup>sub (1,244), which corresponds to that of the same period last year. For the period July 2023 to June 2024, deliveries amounted to 4,791 thousand m<sup>3</sup>sub (5,264).

## The biofuel market

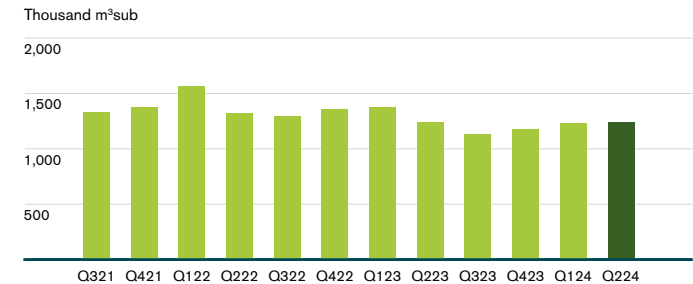
The market for forest biofuel, such as GROT (branches and tree tops), is regional and local where the transport costs are high and the production costs are relatively low for biofuel. The forest biofuel market is significant in southern and central Sweden, but is more limited in northern Sweden. The customers for Sveaskog's biofuels are power and heating plants as well as the energy-producing forest industry. 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 second quarter, Sveaskog delivered 97 thousand m<sup>3</sup>sub (92) of biofuel, which is seasonally lower than the previous year, but is an increase of 5 per cent on the same period last year. For the period July 2023 to June 2024, deliveries amounted to 463 thousand m<sup>3</sup>sub (468).

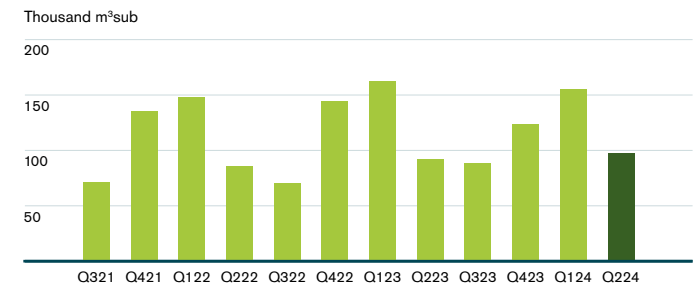
DELIVERY VOLUME SAWLOGS



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. Jun 2023	Outcome acc. Jun 2024	Target full year 2024	Target full year 2028
Thinning effect, %, acc.	N/A	N/A	82	85	85
Cleaning index, % acc.	98	100	94.5	92.5	92.5
Restart damaged young forest <sup>1)</sup> , number of hectares	1,289	356	282	829	2,389

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

The increased focus on correct thinning, even in difficult stocks, has started to yield results and Sveaskog essentially reached the targets of thinning effect. Work on developed thinning continues to ensure long-term that thinning is always done in a sustainable way.

The cleaning index is above the target level accumulated in June and the company has thereby met both the area target and the quality target.

Measures performed within the "Restart of damaged forest" initiative are progressing better than planned, which also means that the prospects for achieving the annual target are good.

See definitions on page 23

## Increased climate benefit

Sveaskog's climate impact consists of the emissions from the company's 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. Jun 2023	Outcome acc. Jun 2024	Target full year 2024	Target full year 2028
Share of fossil-free fuel, own teams, %	N/A	N/A	44.0	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 fuel in our own teams amounted to 57.3 per cent in the second quarter, which results in an accumulated share of 44.0 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. Jun 2023	Outcome acc. Jun 2024	Target full year 2024	Target full year 2028
Nature conservation (extended area, ha)	1,020	252	635	1,560	N/A
Nature conservation burning (extended area, ha)	91	67	76	165	N/A
Restored wetlands (number of objects)	46	6	7	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.

The target for nature conservation is higher for 2024 than for 2023 and the area of nature conservation as of June is good compared to the target set (about 40 per cent target

fulfilment). Both conservation burning in Södra Norrland and Götaland as well as point burning in Norrbotten were carried out during the quarter. Seven wetlands were created up through June and with these, the goal from 2021 of creating 100 new wetlands was also achieved. The target was set for 2026 but was implemented in almost half the time.

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.

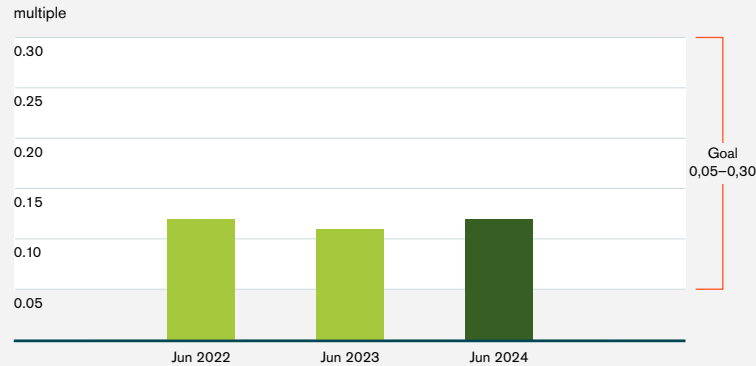
Indicator	Outcome full year 2023	Outcome acc. Jun 2023	Outcome acc. Jun 2024	Target full year 2024	Target full year 2028
Sales, other land transactions, MSEK, R12	305	307	311	295	336
Return on adjusted operating capital R12, %	3.3	4.1	3.4	2.5	2.5

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. Sales from other land transactions on a rolling 12-month basis amount to MSEK 311, which is slightly higher than the pre-

vious year and the target for the full year. 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

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 purchased from other forest owners. This enables Sveaskog to ensure that all 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, Apr-Jun		6 months, Jan-Jun		12 months	
	2024	2023	2024	2023	Jul 2023– Jun 2024	2023
Net sales (Note 1)	2,224	2,075	4,394	4,226	8,031	7,863
Other operating income (Note 1)	14	19	57	54	96	93
Raw materials and consumables	-717	-659	-1,474	-1,399	-2,753	-2,678
Change in inventories	-27	-55	43	-2	194	149
Other external expenses	-751	-713	-1,471	-1,458	-3,199	-3,186
Staff costs	-200	-177	-371	-330	-692	-651
Depreciation/amortisation	-43	-41	-86	-80	-167	-161
<b>Operating profit from continuing operations</b>	<b>500</b>	<b>449</b>	<b>1,092</b>	<b>1,011</b>	<b>1,510</b>	<b>1,429</b>
Capital gains on property sales	-2	21	-6	23	1	30
Share of profit/loss in associates	5	14	-32	8	-100	-60
<b>Operating profit before change in value in biological assets</b>	<b>503</b>	<b>484</b>	<b>1,054</b>	<b>1,042</b>	<b>1,411</b>	<b>1,399</b>
Change in value in biological assets (Note 2)	168	-279	199	26	3,549	3,376
<b>Operating profit</b>	<b>671</b>	<b>205</b>	<b>1,253</b>	<b>1,068</b>	<b>4,960</b>	<b>4,775</b>
Financial items	29	-56	-40	-103	-163	-226
<b>Profit/loss before tax</b>	<b>700</b>	<b>149</b>	<b>1,213</b>	<b>965</b>	<b>4,797</b>	<b>4,549</b>
Tax	-176	-28	-289	-197	-1,025	-933
<b>Profit/loss from continuing operations</b>	<b>524</b>	<b>121</b>	<b>924</b>	<b>768</b>	<b>3,772</b>	<b>3,616</b>
Profit/loss from operations subject to dividend	0	0	0	0	-54	-54
<b>Profit/loss for the period/year</b>	<b>524</b>	<b>121</b>	<b>924</b>	<b>768</b>	<b>3,718</b>	<b>3,562</b>
Earnings per share in SEK before and after dilution	4.43	1.03	7.80	6.49	31.39	30.08
– calculated based on average number of shares, million	118.4	118.4	118.4	118.4	118.4	118.4

## Statement of comprehensive income

MSEK	3 months, Apr-Jun		6 months, Jan-Jun		12 months	
	2024	2023	2024	2023	Jul 2023– Jun 2024	2023
<b>Profit/loss for the period/year</b>	<b>524</b>	<b>121</b>	<b>924</b>	<b>768</b>	<b>3,718</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)	-59	18	-59	17	7,764	7,840
Tax on change in value in land assets	21	-7	12	-1	-1,596	-1,609
Actuarial gains/losses relating to pensions	1	-	-1	-	-14	-14
Tax on actuarial gains/losses	-	-	-	-	3	3
<i>Components that may be reversed in profit or loss</i>						
Translation differences	-2	2	1	3	-3	-1
Other comprehensive income from associates	7	-20	-32	-45	8	-5
Tax on other comprehensive income from associates	-2	5	7	10	-2	1
Change in fair value of cash flow hedges for the year	-4	3	1	-4	4	-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	1	-1	0	1	5	6
<b>Total other comprehensive income for the period/year for remaining operations, net after tax</b>	<b>-37</b>	<b>0</b>	<b>-71</b>	<b>-19</b>	<b>6,163</b>	<b>6,193</b>
Change in value of land assets distributed as dividend (Note 2)	0	0	0	0	18	18
Tax on change in value in land assets distributed as dividend	0	0	0	0	-19	-19
<b>Other comprehensive income from operations distributed as dividend</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1</b>	<b>-1</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR</b>	<b>487</b>	<b>121</b>	<b>853</b>	<b>749</b>	<b>9,880</b>	<b>9,754</b>



## The Sveaskog Group

### Comments on the income statement

#### 1 April – 30 June 2024

**Net sales** Net sales increased by 7 per cent to MSEK 2,224 (2,075). Prices of wood raw materials increased by an average of 11 per cent, while total delivery volumes decreased by 2 per cent. Other sales decreased by 2 per cent and are mainly attributable to concessions, saplings and other sales.

Sales of wood raw materials amounted to 2,193 thousand m<sup>3</sup>sub (2,309).

**Operating profit** Operating profit increased by 11 per cent and amounted to MSEK 500 (449).

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 2 (gain: 21). Share of profits in associates amounted to MSEK 5 (14). The net change in the reported value of standing timber amounted to MSEK 168 (-279). After the change in value of forest assets, the operating profit amounted to MSEK 671 (205). Net financial items in the quarter were MSEK 29 (-56). Profit before tax amounted to MSEK 700 (149). Tax amounted to MSEK -176 (-28). Profit for the quarter rose to MSEK 524 (121).

#### 1 January – 30 June 2024

**Net sales** Net sales increased by 4 per cent to MSEK 4,394 (4,226). Prices of wood raw materials increased by an average of 12 per cent, while total delivery volumes decreased by 7 per cent. Other sales decreases are mainly attributable to concessions, saplings and other sales.

Sales of wood raw materials amounted to 4,422 thousand m<sup>3</sup>sub (4,876).

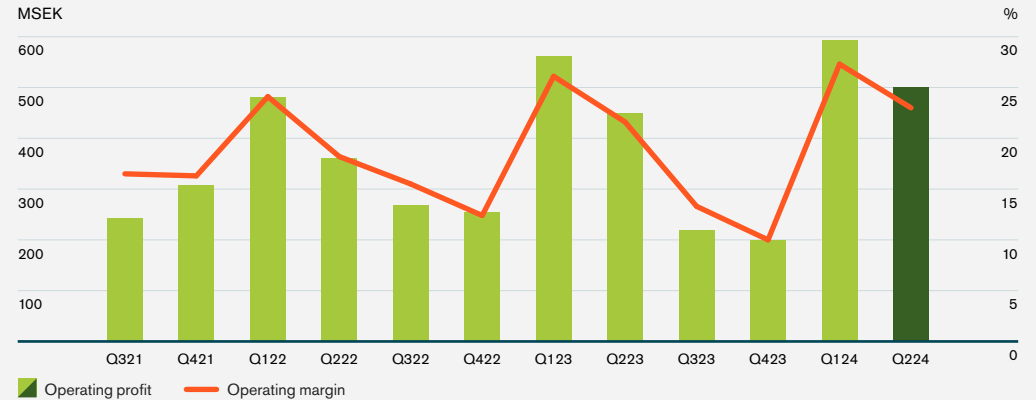
**Operating profit** Operating profit increased by 8 per cent and amounted to MSEK 1,092 (1,011).

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.

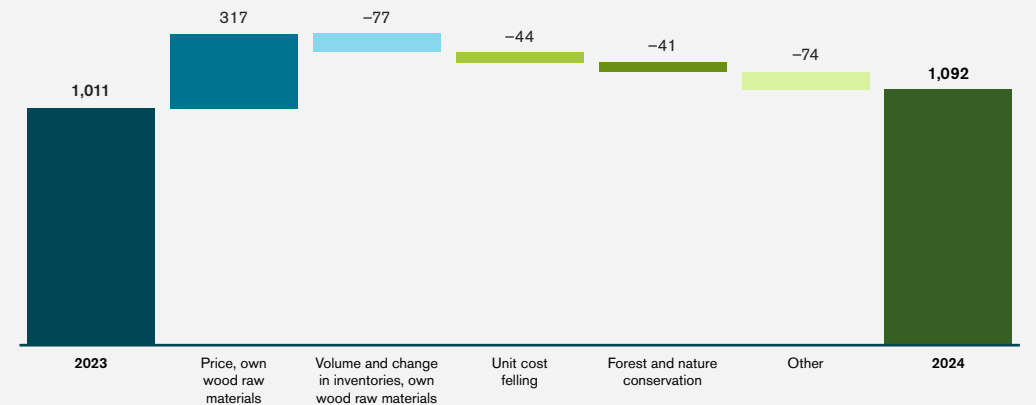
Capital losses from the sale of property amounted to MSEK 6 (gain: 23). Share of profits in associates amounted to MSEK -32 (8). The net change in the carrying amount of biological assets amounted to MSEK 199 (26). After changes in value in biological assets, the operating profit amounted to MSEK 1,253 (068). Net financial items during the first half of the year were MSEK -40 (-103). Profit before tax amounted to MSEK 1,213 (965). Tax amounted to MSEK -289 (-197).

Profit for the period increased to MSEK 924 (768).

#### OPERATING PROFIT FROM CONTINUING OPERATIONS



#### CHANGE IN OPERATING PROFIT, JANUARY-JUNE, MSEK



## The Sveaskog Group

### Condensed balance sheet

MSEK	30 Jun 2024	30 Jun 2023	31 Dec 2023
<b>Assets (Note 3)</b>			
<b>Non-current assets</b>			
Intangible assets	148	153	149
Forest assets (Note 2, 3)	100,404	89,003	100,221
– of which land assets	49,500	41,695	49,548
– of which biological assets	50,904	47,308	50,673
Other property, plant and equipment	829	628	704
Right-of-use assets	177	163	167
Non-current financial assets, non-interest-bearing	1,313	1,411	1,363
Long-term interest-bearing receivables	89	51	72
<b>Total non-current assets</b>	<b>102,960</b>	<b>91,409</b>	<b>102,676</b>
<b>Current assets</b>			
Inventories	620	596	693
Tax assets	187	130	82
Trade receivables	1,838	1,395	1,581
Other receivables	480	485	389
Cash and cash equivalents	592	1,189	538
Assets held for dividend <sup>1)</sup>	–	653	–
<b>Total current assets</b>	<b>3,717</b>	<b>4,448</b>	<b>3,283</b>
<b>TOTAL ASSETS</b>	<b>106,677</b>	<b>95,857</b>	<b>105,959</b>

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	30 Jun 2024	30 Jun 2023	31 Dec 2023
<b>Equity and liabilities</b>			
<b>Equity</b>	<b>73,456</b>	<b>66,366</b>	<b>73,808</b>
<b>Non-current liabilities (Note 3)</b>			
Interest-bearing liabilities and provisions	6,035	7,674	5,848
Lease liabilities, non-current	137	124	128
Other liabilities and provisions	21,753	19,361	21,679
<b>Total non-current liabilities</b>	<b>27,925</b>	<b>27,159</b>	<b>27,655</b>
<b>Current liabilities (Note 3)</b>			
Interest-bearing liabilities and provisions	3,373	578	2,841
Leasing liabilities, current	47	42	46
Tax liabilities	365	215	110
Trade payables	1,080	1,006	1,090
Other liabilities and provisions	431	359	409
Liabilities attributable to assets held for dividend	–	132	–
<b>Total current liabilities</b>	<b>5,296</b>	<b>2,332</b>	<b>4,496</b>
<b>Total liabilities</b>	<b>33,221</b>	<b>29,491</b>	<b>32,151</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>106,677</b>	<b>95,857</b>	<b>105,959</b>

### Condensed statement of changes in equity

MSEK	Jan–Jun 2024	Jan–Jun 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	853	749	9,754
Dividend paid according to Annual General Meeting resolution	–1,207	–575	–2,138
<b>CLOSING EQUITY AT END OF PERIOD/YEAR</b>	<b>73,456</b>	<b>66,366</b>	<b>73,808</b>

## The Sveaskog Group

### Condensed cash flow statement

MSEK	Jan–Jun 2024	Jan–Jun 2023	Full year 2023
<b>Operating activities</b>			
<b>Operating profit</b>	<b>1,253</b>	<b>1,068</b>	<b>4,775</b>
Non-cash items, etc.	-142	-79	-3,197
Interest received, etc.	107	15	39
Interest paid	-147	-118	-255
Tax paid	-105	-122	-262
<b>Cash flow from operating activities before changes in working capital</b>	<b>966</b>	<b>764</b>	<b>1,100</b>
Changes in working capital	-276	-61	-113
<b>Cash flow from operating activities</b>	<b>690</b>	<b>703</b>	<b>987</b>
<b>Investing activities</b>			
Investment in non-current assets	-271	-118	-634
Investments in shares and participations	0	-3	-7
Dividends from associates	2	238	266
Sale of non-current assets	55	57	117
Sale of shares and participations	92	0	0
Change in interest-bearing receivables	-16	-36	-57
<b>Cash flow from investing activities</b>	<b>-138</b>	<b>138</b>	<b>-315</b>
<b>Financing activities</b>			
Dividend paid <sup>1)</sup>	-1,207	-575	-1,481
Borrowings	3,375	4,200	6,800
Repayment of loans	-2,666	-4,076	-6,252
<b>Cash flow from financing activities</b>	<b>-498</b>	<b>-451</b>	<b>-933</b>
<b>CASH FLOW FOR THE PERIOD/YEAR</b>	<b>54</b>	<b>390</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>592</b>	<b>1,189</b>	<b>538</b>

1) 2023: 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 690 (703). The decrease is mainly due to changes in working capital. Investments in non-current assets, mainly forest properties and forest machines, amounted to MSEK 271 (118) while investments in shares amounted to MSEK 0 (-3). Sales of non-current assets, mainly forest properties, amounted to MSEK 55 (57).

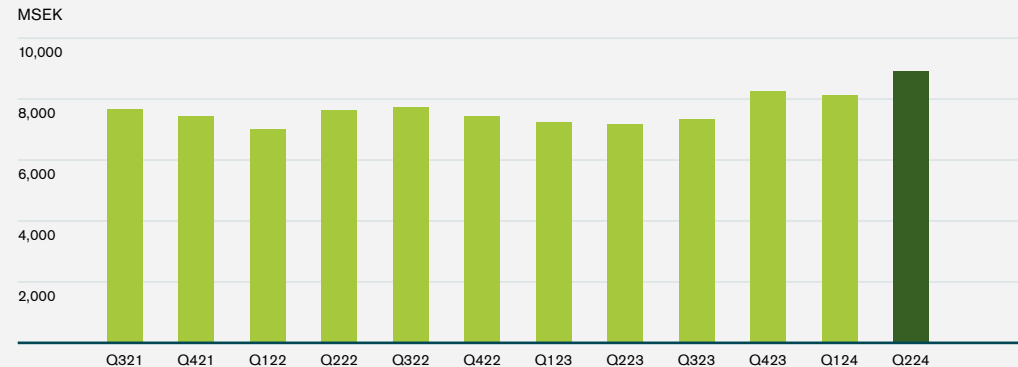
Sveaskog's net interest-bearing debt amounted to MSEK 8,912 (7,177) as of 30 June. At the end of the period, the loan portfolio consisted mainly of loans issued under Sveaskog's MTN programme and a

Swedish commercial paper programme. The loan volume under the Swedish commercial paper programme amounted to MSEK 1,675 (1,300), which is refinanced on an ongoing basis. The outstanding volume under the MTN programme at 30 June was MSEK 6,750 (5,940), of which green bonds accounted for MSEK 6,350 (4,800). The lowest average net fixed interest period during the period was around 23 months (23).

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

The interest coverage ratio was 5.2 (8.2) and the gross borrowing cost was 3.48 (2.49) per cent.

#### NET INTEREST-BEARING DEBT



# Parent company

## Condensed income statement

MSEK	3 months, Apr-Jun		6 months, Jan-Jun		12 months	
	2024	2023	2024	2023	Jul 2023– Jun 2024	2023
Operating income	11	12	22	24	42	44
Operating expenses	-1	-1	-1	-2	-1	-2
<b>Operating profit</b>	<b>10</b>	<b>11</b>	<b>21</b>	<b>22</b>	<b>41</b>	<b>42</b>
Financial items	-106	-93	-213	-167	-432	-386
<b>Profit/loss before appropriations and tax</b>	<b>-96</b>	<b>-82</b>	<b>-192</b>	<b>-145</b>	<b>-391</b>	<b>-344</b>
Group contributions	-	-	-	-	863	863
Provisions to untaxed reserves	-	-	-	-	-160	-160
<b>Profit/loss before tax</b>	<b>-96</b>	<b>-82</b>	<b>-192</b>	<b>-145</b>	<b>312</b>	<b>359</b>
Tax	0	17	0	30	-129	-99
<b>PROFIT/LOSS FOR THE PERIOD/YEAR</b>	<b>-96</b>	<b>-65</b>	<b>-192</b>	<b>-115</b>	<b>183</b>	<b>260</b>

## Condensed balance sheet

MSEK	30 Jun 2024	30 Jun 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	122	107	50
Receivables from Group companies, non-interest-bearing	0	4	866
Receivables from Group companies, interest-bearing	807	408	101
Cash and cash equivalents	0	0	0
<b>Total current assets</b>	<b>929</b>	<b>519</b>	<b>1,017</b>
<b>TOTAL ASSETS</b>	<b>26,299</b>	<b>25,938</b>	<b>26,387</b>
<b>Equity and liabilities</b>			
<b>Equity</b>	<b>12,741</b>	<b>14,701</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	5,844	7,472	5,643
<b>Total non-current liabilities</b>	<b>5,844</b>	<b>7,472</b>	<b>5,643</b>
<b>Current liabilities</b>			
Liabilities to Group companies, interest-bearing	3,673	2,787	3,133
Other liabilities, interest-bearing	3,347	544	2,815
Liabilities to Group companies, non-interest-bearing	0	0	2
Other liabilities and provisions	226	126	186
<b>Total current liabilities</b>	<b>7,246</b>	<b>3,457</b>	<b>6,136</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>26,299</b>	<b>25,938</b>	<b>26,387</b>

## Parent company

### Condensed statement of changes in equity

MSEK	Jan–Jun 2024	Jan–Jun 2023	Full year 2023
Opening equity, 1 January	14,140	15,391	15,391
Dividend according to Annual General Meeting resolution	-1,207	-575	-1,150
Dividend according to Extraordinary General Meeting resolution	-	-	-361
Profit for the year	-192	-115	260
<b>CLOSING EQUITY AT END OF PERIOD/YEAR</b>	<b>12,741</b>	<b>14,701</b>	<b>14,140</b>

### Condensed cash flow statement

MSEK	Jan–Jun 2024	Jan–Jun 2023	Full year 2023
Cash flow from operating activities	-161	-161	-364
Cash flow from investing activities	3	3	-7
Cash flow from financing activities	158	158	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-JUNE 2024, MSEK

**4,394**

OPERATING PROFIT JAN-JUNE 2024, MSEK

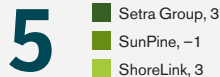
**1,092**

## 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–June amounted to MSEK 22 (24), of which MSEK –1 (–2) was

accounted for by capital gains from sales of forest land. The loss after financial items amounted to MSEK 192 (145). 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. Q2 2024, MSEK



SVEASKOG’S SHARE OF PROFIT/LOSS FROM ASSOCIATES. ACCUMULATED JAN-JUN 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–June amounted to MSEK 2,528 (2,782). The operating loss amounted to MSEK 64 (54). Sveaskog’s share of earnings in the company adjusted for intra-group profits decreased by MSEK 21 to MSEK –41 (–20). Sveaskog’s share of Setra’s other comprehensive income amounted to MSEK –25 (–35).



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–June totalled MSEK 1,536 (1,899). -The operating profit amounted to MSEK 22 (128). Sveaskog’s share of the company’s profit decreased by 77 per cent to MSEK 6 (26).



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–June 2024 reports the share of the associate’s profit/loss for the period December 2023 to May 2024, while the figures for the previous year cover the period from December 2022 to May 2023. Net sales for this period amounted to MSEK 180 (156) and the operating profit for the same period amounted to MSEK 13 (4). Sveaskog’s share of the company’s profit or loss amounted to MSEK 3 (2.4).

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	2,528	–64	–41	–25	Jan–Jun 2024
SunPine AB	1,536	22	6	N/A	Jan–Jun 2024
ShoreLink AB	180	13	3	N/A	Dec 2023 – May 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 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 second quarter of 2024, see Note 2 in this interim report.

## NOTE 1 | Revenues from contracts with customers

MSEK	Jan–Jun 2024	Jan–Jun 2023	Jul 2023– Jun 2024	Full year 2023
Sawlogs	1,743	1,741	3,191	3,189
Pulpwood and woodchips	2,062	1,919	3,936	3,793
Biofuel	85	80	152	147
Seedlings	186	186	326	326
Other	113	90	189	166
<b>Total revenues from contracts with customers</b>	<b>4,189</b>	<b>4,016</b>	<b>7,794</b>	<b>7,621</b>
Of which IFRS 15 in net sales	4,189	4,016	7,791	7,618
Lease income	205	210	240	245
<b>Total net sales</b>	<b>4,394</b>	<b>4,226</b>	<b>8,031</b>	<b>7,863</b>
IFRS 15 in other operating income	150	0	153	3
Capital gains, etc.	-95	54	-59	90
<b>Total other operating income</b>	<b>55</b>	<b>54</b>	<b>94</b>	<b>93</b>
<b>Date of revenue recognition</b>				
Goods transferred to customers on a specific date	4,144	3,977	7,675	7,508
Goods and services transferred to customers over time	46	39	120	113
<b>Contract assets and contractual liabilities</b>				
Contract assets	23	16	23	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 (2,952). 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 (715) referred to January–June 2024.

## NOTE 2 | Valuation of forest assets

Sveaskog's total land holdings amount to 3.89 million hectares, of which 3.03 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 according to 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 June 2024 has been calculated at MSEK 100,404 (89,003), of which MSEK 50,904 (47,308) refers to the fair value of the standing timber and MSEK 49,500 (41,695) refers to the fair value of the land. The change in the balance sheet since the previous year-end is MSEK 183 (141) 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 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, which are primarily used as fuel wood; this volume is not included in the valuation.

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

MSEK	30 Jun 2024	30 Jun 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>	
<b>Opening balance, 1 January 2023</b>	<b>89,489</b>
Change during the year	167
<b>Closing value, 30 June 2023</b>	<b>89,656</b>
Less assets held for dividend	–653
<b>Carrying amount, 30 June 2023</b>	<b>89,003</b>
Deferred tax attributable to forest assets	18,415
Less deferred tax attributable to forest assets held for dividend	–132
<b>Carrying amount of deferred tax attributable to forest assets, 30 June 2023</b>	<b>18,283</b>
<b>Opening value, 1 January 2024</b>	<b>100,221</b>
Change during the year	183
<b>Closing value, 30 June 2023</b>	<b>100,404</b>
Less assets held for dividend	0
<b>Carrying amount, 30 June 2023</b>	<b>100,404</b>
Deferred tax attributable to forest assets	19,935
Less deferred tax attributable to forest assets held for dividend	0
<b>Carrying amount of deferred tax attributable to forest assets, 30 June 2024</b>	<b>19,935</b>

## Notes

### FOREST ASSETS OF WHICH BIOLOGICAL ASSETS

MSEK

#### Fair values

<b>Opening balance, 1 January 2023</b>	<b>47,460</b>
Acquisition of biological assets	5
Sale of biological assets	-8
Changes due to felling	-423
Unrealised change in fair value	565
<b>Closing value, 30 June 2023</b>	<b>47,599</b>
Less assets held for dividend	-291
<b>Carrying amount, 30 June 2023</b>	<b>47,308</b>
<b>Opening value, 1 January 2024</b>	<b>50,673</b>
Acquisition of biological assets	36
Sale of biological assets	-4
Changes due to felling	-426
Unrealised change in fair value	625
<b>Closing value, 30 June 2023</b>	<b>50,904</b>
Less assets held for dividend	0
<b>Carrying amount, 30 June 2023</b>	<b>50,904</b>

### FOREST ASSETS OF WHICH FOREST LAND

MSEK

#### Fair values

<b>Opening balance, 1 January 2023</b>	<b>42,028</b>
Acquisition of forest land	20
Sale of forest land	-8
Unrealised change in fair value	17
<b>Closing value, 30 June 2023</b>	<b>42,057</b>
Less assets held for dividend	-362
<b>Carrying amount, 30 June 2023</b>	<b>41,695</b>
<b>Opening value, 1 January 2024</b>	<b>49,548</b>
Acquisitions of forest land	25
Sale of forest land	-13
Unrealised change in fair value	-60
<b>Closing value, 30 June 2023</b>	<b>49,500</b>
Less assets held for dividend	0
<b>Carrying amount, 30 June 2023</b>	<b>49,500</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 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
<b>Assets</b>						
Forest assets						
Biological assets	–	–	–	–	50,904	50,673
Forest land	–	–	–	–	49,500	49,548
Interest-bearing non-current liabilities	89	72	–	–	–	–
Derivative instruments	–	–	23	28	–	–
<b>Total assets</b>	<b>89</b>	<b>72</b>	<b>23</b>	<b>28</b>	<b>100,404</b>	<b>100,221</b>
<b>Liabilities</b>						
Non-current liabilities	–	–	6,029	5,704	–	–
Current liabilities	–	–	3,352	2,813	–	–
Derivative instruments	–	–	1	3	–	–
<b>Total liabilities</b>	<b>0</b>	<b>0</b>	<b>9,382</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. 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 to June 2024, Sveaskog issued MSEK 2,575 (2,700) under the commercial paper programme and MSEK 800 (1,500) 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.

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.

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, 17 July 2024

Sveaskog AB (publ) 556558-0031

Kerstin Lindberg Göransson  
Chair of the Board

Cecilia Ardström  
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

The report has not been audited.

# Quarterly overview for the Sveaskog Group

## Income statements, MSEK

Quarterly overview	2024 Q2	2024 Q1	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2022 Q4	2022 Q3
Net sales	2,224	2,170	1,990	1,647	2,075	2,151	2,044	1,733
Other operating income	14	43	16	23	19	35	28	8
Operating expenses	-1,695	-1,578	-1,767	-1,410	-1,604	-1,585	-1,778	-1,435
Depreciation/amortisation and impairment	-43	-42	-40	-41	-41	-39	-40	-37
<b>Operating profit from continuing operations</b>	<b>500</b>	<b>593</b>	<b>199</b>	<b>219</b>	<b>449</b>	<b>562</b>	<b>254</b>	<b>269</b>
Capital gains on property sales	-2	-4	5	2	21	2	1	3
Share of profit/loss in associates	5	-37	-81	13	14	-6	-28	118
<b>Operating profit before change in value in biological assets</b>	<b>503</b>	<b>552</b>	<b>123</b>	<b>234</b>	<b>484</b>	<b>558</b>	<b>227</b>	<b>390</b>
Change in value in biological assets	168	31	3,436	-86	-279	305	179	107
<b>Operating profit</b>	<b>671</b>	<b>583</b>	<b>3,559</b>	<b>148</b>	<b>205</b>	<b>863</b>	<b>406</b>	<b>497</b>
Net financial income/expense	29	-68	-60	-63	-56	-47	-41	-36
<b>Profit/loss before tax</b>	<b>700</b>	<b>515</b>	<b>3,499</b>	<b>85</b>	<b>149</b>	<b>816</b>	<b>365</b>	<b>461</b>
Tax	-176	-113	-722	-13	-27	-169	-77	-71
<b>Profit/loss from continuing operations</b>	<b>524</b>	<b>402</b>	<b>2,777</b>	<b>72</b>	<b>122</b>	<b>647</b>	<b>288</b>	<b>390</b>
Profit/loss from activities to be distributed	-	-	-27	-28	1	-	-	-
<b>Earnings</b>	<b>524</b>	<b>402</b>	<b>2,750</b>	<b>44</b>	<b>123</b>	<b>647</b>	<b>288</b>	<b>390</b>

## Balance sheets, MSEK

Quarterly overview	2024 Q2	2024 Q1	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2022 Q4	2022 Q3
Non-current assets, non-interest-bearing	102,871	102,638	102,604	91,390	91,358	91,668	91,411	88,684
Non-current receivables, interest-bearing	89	78	72	64	51	30	15	5
Inventories	620	769	693	656	596	716	649	635
Current receivables, non-interest bearing	2,505	2,474	2,052	2,226	2,010	2,032	1,879	2,237
Cash and cash equivalents and interest-bearing receivables	592	689	538	1,024	1,189	1,072	799	560
Assets held for dividend	-	-	-	619	653	651	627	-
<b>Total assets</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>	<b>92,121</b>
Equity	73,456	74,174	73,808	65,775	66,366	66,820	66,192	63,027
Non-interest-bearing liabilities	23,629	23,591	23,288	21,670	20,941	20,887	20,817	20,801
Interest-bearing liabilities	9,592	8,883	8,863	8,412	8,418	8,333	8,247	8,293
Liabilities for assets held for dividend	-	-	-	122	132	129	124	-
<b>Total equity and liabilities</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>	<b>92,121</b>

## KPIs

Financial KPIs	2024 Q2	2024 Q1	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2022 Q4	2022 Q3
Net debt/equity ratio, times	0.12	0.11	0.11	0.11	0.11	0.11	0.11	0.12
Adjusted operating capital (excluding deferred tax), MSEK <sup>1)</sup>	42,699	42,443	42,179	39,280	39,813	40,385	39,850	39,275
Return on adjusted operating capital, % <sup>2)</sup>	3.4	3.3	3.3	3.8	4.1	4.5	4.9	5.6
Adjusted operating capital excluding equity participation in associates (and deferred tax), MSEK	41,428	41,180	40,849	37,908	38,417	38,749	38,189	37,561
Return on adjusted operating capital excluding associates, % <sup>2)</sup>	3.8	3.6	3.6	3.9	4.1	3.8	3.6	3.8
Equity ratio, %	69	70	70	69	69	69	69	68
Return on equity, % <sup>2)</sup>	5.3	4.7	5.1	1.7	2.2	3.0	3.1	2.6
Capital turnover rate, operating capital, multiple	0.11	0.11	0.10	0.11	0.11	0.11	0.11	0.10
Interest coverage ratio, times <sup>2)3)</sup>	5.2	4.9	5.3	6.4	8.2	11.1	14.5	18.3
Operating margin, %	30.2	26.8	178.8	9.0	9.9	40.1	19.9	28.7
Net interest-bearing debt, MSEK	8,912	8,117	8,253	7,324	7,177	7,231	7,433	7,728
Average interest rate in loan portfolio, %	3.48	3.16	2.95	2.67	2.49	2.37	1.19	0.95
Average net fixed interest period, months	23	25	24	24	23	23	24	25

Other KPIs	2024 Q2	2024 Q1	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2022 Q4	2022 Q3
<i>Investments, MSEK</i>								
Business acquisitions and investments in shares	0	38	106	51	21	3	-	-
Other investments	171	63	535	75	60	37	44	188
<i>Staff</i>								
Number of employees at the end of the period	816	816	804	780	769	752	739	727
Average number of employees	884	877	880	837	861	815	810	773

<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	July 2023– June 2024	July 2022– June 2023	Full year 2023
Profit for the year	3,718	1,446	3,562
Adjustment of profit/loss for the year at full-year value	3,718	1,446	3,562
Equity, opening balance	66,366	63,233	66,192
Equity, closing balance	73,456	66,366	73,808
Average equity (OB + CB)/2	69,911	64,800	70,000
Profit for the year	3,718	1,446	3,562
Divided by average equity	69,911	64,800	70,000
= Return on equity, %	5.3%	2.2%	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	Jul 2023– Jun 2024	Jul 2022– Jun 2023	Full year 2023
Operating profit before change in value in biological assets	1,412	1,658	1,399
Less capital gains on property sales	–1	–27	–30
<b>Subtotal</b>	<b>1,411</b>	<b>1,631</b>	<b>1,369</b>
Adjusted subtotal at full-year value	1,411	1,631	1,369
Adjusted operating capital OB	39,813	38,905	39,850
Adjusted operating capital CB	42,698	39,813	42,179
Average adjusted operating capital (OB + CB)/2	41,256	39,359	41,015
Subtotal as above	1,411	1,631	1,369
Divided by average adjusted operating capital	41,256	39,359	41,015
= Return on adjusted operating capital, %	3.4%	4.1%	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	Jul 2023– Jun 2024	Jul 2022– Jun 2023	Full year 2023
Operating profit before change in value in biological assets	1,412	1,658	1,399
Less capital gains on property sales	–1	–27	–30
Less equity participation in associates	100	–98	60
<b>Subtotal</b>	<b>1,511</b>	<b>1,533</b>	<b>1,429</b>
Adjusted Operating profit at full-year value	1,511	1,533	1,429
Adjusted operating capital excl. equity participations in associates OB	38,417	37,251	38,189
Adjusted operating capital excl. equity participations in associates CB	41,427	38,417	40,849
Average adjusted operating capital excl. equity interests in associates (OB + CB)/2	39,922	37,834	39,519
Subtotal as above	1,511	1,533	1,429
Divided by average adjusted operating capital, excluding equity participation in associates	39,922	37,834	39,519
= Return on adjusted operating capital excluding equity participation in associates, %	3.8%	4.1%	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	Jun 2024	Jun 2023	Full year 2023
Other liabilities and provisions	796	574	518
– of which tax liabilities	365	215	110
– of which other liabilities and provisions	431	359	408
Balance sheet total	106,677	95,857	105,959
Less interest-bearing assets (cash and cash equivalents)	–591	–1,189	–538
Less interest-bearing receivables (non-current)	–89	–51	–72
Less tax assets	–187	–130	–82
Less other liabilities and provisions (non-current)	–21,753	–19,361	–21,679
Less trade payables	–1,080	–1,006	–1,090
Less other liabilities and provisions (current)	–431	–359	–408
= Operating capital, MSEK	82,546	73,761	82,090
Restoration of land value	–49,500	–41,695	–49,548
Restoration of land value of assets subject to dividend	0	–362	–
Deferred tax attributable to land value	9,652	8,033	9,637
Deferred tax attributable to the land value of assets subject to dividend	0	76	–
<b>= Adjusted operating capital, MSEK</b>	<b>42,698</b>	<b>39,813</b>	<b>42,179</b>
Less equity participation in associates	–1,271	–1,396	–1,330
<b>= Adjusted operating capital excl. equity participations in associates, MSEK</b>	<b>41,427</b>	<b>38,417</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	Jun 2024	Jun 2023	Full year 2023
Net interest-bearing debt	8,912	7,177	8,253
Divided by equity	73,456	66,366	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	Jun 2024	Jun 2023	Full year 2023
Interest-bearing assets (cash and cash equivalents and non-current receivables)	680	1,240	610
Interest-bearing liabilities and provisions (non-current)	–6,035	–7,674	–5,848
Lease liabilities, non-current	–137	–124	–128
Interest-bearing liabilities, MSEK	–3,373	–578	–2,841
Leasing liabilities, current	–47	–41	–46
<b>= Net interest-bearing debt, MSEK</b>	<b>–8,912</b>	<b>–7,177</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	Jul 2023– Jun 2024	Jul 2022– Jun 2023	Full year 2023
Financial items in the income statement	-163	-180	-226
– of which financial income	131	21	39
– of which financial expenses	-294	-201	-265
Operating profit before change in value in biological assets	1,412	1,658	1,399
Less capital gains on property sales	-1	-27	-30
Plus financial income	131	21	39
<b>Subtotal</b>	<b>1,542</b>	<b>1,652</b>	<b>1,408</b>
Subtotal as above	1,542	1,652	1,408
Divided by financial expenses	294	201	265
<b>= Interest coverage ratio, times</b>	<b>5.2</b>	<b>8.2</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	Jun 2024	Jun 2023	Full year 2023
Equity	73,456	66,366	73,808
Divided by total assets	106,677	95,857	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

	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 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)