Bergslagets Skogar

StoraEnso

Information brochure

Information to the shareholders of Stora Enso Oyj prior to deciding on the proposed cross-border partial demerger of Stora Enso Oyj at the Extraordinary General Meeting on 15 December 2026

This information brochure only contains general information and does not constitute a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended. The information brochure is intended solely to be used as decision-making material for Stora Enso Oyj's shareholders in their consideration of the Board of Directors' proposal on a cross-border partial demerger of Stora Enso Oyj at the Extraordinary General Meeting of Stora Enso Oyj to be held on 15 December 2026, pursuant to which all assets, rights, debts and liabilities of Stora Enso Oyj which relate to, or primarily serve, its Swedish forest assets business shall be transferred without a liquidation procedure to a Swedish public limited liability company to be incorporated in the cross-border partial demerger with the proposed name Bergslagets Skogar AB. All shares in Bergslagets Skogar AB would be allocated to the shareholders of Stora Enso Oyj as demerger consideration in proportion to their existing shareholding in Stora Enso Oyj. Provided that the Extraordinary General Meeting of Stora Enso Oyj resolves to approve the cross-border partial demerger in accordance with the demerger plan and that the cross-border partial demerger of Stora Enso Oyj is completed, no separate action is required from shareholders of Stora Enso Oyj to receive shares in Bergslagets Skogar AB as demerger consideration. Provided that the Extraordinary General Meeting of Stora Enso Oyj resolves to approve the cross-border partial demerger in accordance with the demerger plan, and that the cross-border partial demerger of Stora Enso Oyj is completed, a prospectus will be published prior to the admission to trading of the shares of class A and class B in Bergslagets Skogar AB on the regulated markets of Nasdaq Stockholm AB and Nasdaq Helsinki Oy.

IMPORTANT INFORMATION

The Board of Directors of Stora Enso Oyj, business ID 1039050-8 ("**Stora Enso**") has approved a demerger plan concerning the cross-border partial demerger of Stora Enso (the "**Demerger Plan**"), pursuant to which all assets, rights, debts and liabilities of Stora Enso which relate to, or primarily serve, Stora Enso's Swedish forest assets business, comprising the ownership, management and development of Stora Enso's forest land and related forestry operations in Sweden, production of color and color pigments, and management of renewable energy projects (the "**Swedish Forest Assets Business**") shall be transferred without a liquidation procedure to a Swedish public limited liability company to be incorporated in the cross-border partial demerger with the proposed name Bergslagets Skogar AB (the "**Demerger**"). In this information brochure (the "**Information Brochure**"), depending on the context, "**Bergslagets Skogar**", the "**Company**" or the "**Group**" refers to the Swedish public limited liability company to be incorporated in the Demerger with the proposed name Bergslagets Skogar AB, the group of which Bergslagets Skogar AB will be the parent company following the Demerger or a subsidiary of that group.

According to the Demerger Plan, the shareholders of Stora Enso shall receive as demerger consideration (the "**Demerger Consideration**") one (1) new share of the corresponding share class in Bergslagets Skogar (i.e., shares of class A or class B) (the "**Demerger Consideration Shares**") for each share owned in Stora Enso, i.e. the Demerger Consideration shall be issued to the shareholders of Stora Enso in proportion to their existing shareholding with a ratio of 1:1 per share class where each share of class A in Stora Enso entitles to a new share of class A in Bergslagets Skogar and each share of class R in Stora Enso entitles to a new share of class B in Bergslagets Skogar.

The Board of Directors of Stora Enso has proposed that an Extraordinary General Meeting to be held on 15 December 2026 (the "**EGM**") resolves on the Demerger in accordance with the Demerger Plan and approves the Demerger Plan.

This Information Brochure only contains general information and does not constitute a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (as amended, the "**Prospectus Regulation**"). The Information Brochure is furnished solely to be used as decision-making material for Stora Enso's shareholders in their consideration of the proposal of the Board of Directors at the EGM.

As Bergslagets Skogar will not be incorporated until the Swedish Companies Registration Office (Sw. *Bolagsverket*) registers its incorporation in connection with the completion of the Demerger, the information in this Information Brochure is based on the Demerger Plan and information available as at the date of this Information Brochure regarding Stora Enso's Swedish Forest Assets Business. The information in this Information Brochure reflects a number of assumptions and expectations regarding the operations of Bergslagets Skogar, including the Demerger being completed in the manner and timeframe contemplated in this Information Brochure and the operations of Bergslagets Skogar being organized as anticipated as at the date of this Information Brochure. However, there can be no assurance that the Demerger will be completed in the manner or in the timeframe contemplated in this Information Brochure, or at all, or that the operations of Bergslagets Skogar will be organized as anticipated as at the date of this Information Brochure, any of which may cause any of the statements included in the Information Brochure to not materialize.

Provided that the EGM approves the Demerger Plan and resolves on the Demerger in accordance with the Demerger Plan, and the Demerger is completed, Bergslagets Skogar will apply for admission to trading of its shares of class A and class B on the regulated market of Nasdaq Stockholm AB ("**Nasdaq Stockholm**") and the regulated market of Nasdaq Helsinki Oy ("**Nasdaq Helsinki**") and will for that purpose prepare and publish a prospectus in accordance with the Prospectus Regulation. The prospectus will contain detailed information about Bergslagets Skogar and the risks associated with an investment in Bergslagets Skogar.

The Information Brochure is published by Stora Enso. The Information Brochure has been prepared in both English and Finnish language versions. In the event of any conflict between the versions, the English version shall prevail.

INFORMATION TO INVESTORS IN THE UNITED STATES

The shares in Bergslagets Skogar have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or otherwise transferred, directly or indirectly, in or into the United States except pursuant to an available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with each relevant state or other jurisdiction of the United States. The shares in Bergslagets Skogar have not been approved or disapproved by the U.S. Securities and Exchange Commission ("**SEC**"), any state securities commission in the United States or any U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the shares in Bergslagets Skogar or the accuracy or adequacy of this Information Brochure. Any representation to the contrary is a criminal offense in the United States.

Bergslagets Skogar will be relying on an exemption provided by Rule 12g3-2(b) under the U.S. Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"), and therefore will not be required to register its shares with the SEC. In accordance with Rule 12g3-2(b), Bergslagets Skogar will make available certain documents on its website. These documents will consist primarily of English-language versions of the Group's press releases and certain other information made public in Sweden. However, Bergslagets Skogar will not be required to file with the SEC annual reports on Form 20-F or furnish reports on Form 6-K.

The shares in Bergslagets Skogar generally should not be treated as "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, and persons who receive securities as a result of the Demerger (other than affiliates) may resell them without restriction under the U.S. Securities Act. A receiving shareholder who was an affiliate of Bergslagets Skogar as of the date and time at which the Demerger became effective or who became affiliates thereafter will be subject to certain U.S. transfer restrictions relating to the shares received pursuant to the Demerger.

Bergslagets Skogar intends to establish an American depositary shares program ("**ADS Program**") pursuant to a deposit agreement, setting out the terms of the program. For more information about the ADS Program and on the procedure pursuant to which holders of current Stora Enso American depositary shares ("**Stora Enso ADS**"), which Stora Enso ADSs may be evidenced by American depositary receipts ("**ADRs**"), are expected to receive Bergslagets Skogar American depositary shares ("**Bergslagets Skogar ADS**") representing the Bergslagets Skogar shares deliverable to such holders, see the sections "*Information regarding the Demerger – Holders of Stora Enso American depositary shares*" and "*Share capital and ownership – American depositary shares*".

FORWARD-LOOKING STATEMENTS AND RISK FACTORS

The Information Brochure contains certain forward-looking statements. Such statements are not necessarily based on historical facts, but they are statements concerning future expectations. Forward-looking statements have been set forth in several parts of this Information Brochure, such as certain statements set forth in the sections of this Information Brochure titled "*Description of Bergslagets Skogar*", "*Selected financial information for Bergslagets Skogar*", "*Operational and financial review*" and "*Risk factors*" as well as in other such parts of this Information Brochure which contain information on Stora Enso's or Bergslagets Skogar's business-related future results, plans and expectations, including their strategic plans, plans on future growth and profitability, and general financial situation. Such statements are based on current perceptions, plans, estimates, assumptions and forecasts of the management of Stora Enso and information currently available to the management of Stora Enso, and thus such statements may be considered as forward-looking statements. Among others, statements that include words such as "target", "intend", "anticipate", "expect", "may", "plan", "believe", "estimate", "project", "will", "would", "assess" and other expressions entailing indications or predictions of future development or trends, not based on historical facts, constitute forward-looking statements. Other forward-looking statements can be identified from the context in which such statements have been made.

These forward-looking statements are based on certain present plans, estimates, forecasts and expectations which, in turn, rest on certain expectations that are currently justifiable but may turn out to be incorrect. Shareholders should not rely on these forward-looking statements. Numerous factors of uncertainty may cause Bergslagets Skogar's actual results of operations or its financial position to differ materially from the results of operations or financial position that are expressly described in or may be concluded from the forward-looking statements included in this Information Brochure.

As forward-looking statements are based on expectations, they are inherently associated with both known and unknown risks, uncertainties and other important factors that could cause the actual results, level of performance or achievements of Bergslagets Skogar, or industry results, to differ even materially from any future results, performance or achievements expressed or implied by such forward-looking statements, as they depend on future events and circumstances.

Examples of these risks, uncertainties and other factors are included in the section of this Information Brochure titled "*Risk factors*", which presents certain risks relating to the Demerger as well as Bergslagets Skogar and its business operations and shares, including the shares to be issued as Demerger Consideration based on information available and estimates made as at the date of this Information Brochure. These risks are partial examples of forward-looking statements. However, the above-mentioned list is not exhaustive, and new risks may emerge from time to time. Should one or more of these risks or uncertainties materialize, or should any underlying assumptions prove to be incorrect, Bergslagets Skogar's actual results of operations, financial position, level of performance or achievements could differ even materially from what has been expressly described in or may be concluded as expected, believed, estimated or anticipated from the forward-looking statements included in this Information Brochure.

Forward-looking statements are not a guarantee of future results or developments and actual outcomes may differ materially from the statements set forth in the forward-looking statements. The reader should, however, consult any additional disclosures that Stora Enso may make in any documents which it publishes. All readers, wherever located, should take note of these disclosures. Accordingly, no assurance can be given that any particular expectation will be met and shareholders are cautioned not to place undue reliance on the forward-looking statements.

The forward-looking statements contained in this Information Brochure apply only as of the date they are made and are based upon the knowledge and information available to Stora Enso on the date of the Information Brochure. Stora Enso does not undertake to announce any updates or changes in the forward-looking statements as a result of new information, future events or similar circumstances on which such statements are based, except as required by applicable law and regulations.

SECTOR AND MARKET INFORMATION

The Information Brochure contains information from third parties in the form of sector and market information, including statistics, data and other information sources regarding markets, market size, market positions and other industry information related to the Company's markets and operations. Such information is based on Stora Enso's assessment and estimates and on Stora Enso's analysis of multiple sources, including reports, publications and data compiled by external sources in the form of publicly available industry information and publications, industry reports and a report completed by Bain & Company (the "**Market Study**"). The Market Study was completed on 5 June 2026, updated on 30 September 2026, and was commissioned and paid for by Stora Enso. The third-party sources are, according to Stora Enso's opinion, reliable. However, the assumptions or market views presented in the third-party sources may have changed since their completion date. Views and assumptions regarding markets, market size and market positions expressed by Stora Enso have not been verified by a third party, which may have a different point of view.

Certain information about market shares and other statements in the Information Brochure including information relating to the sector in which the Company will operate and the Company's expected position compared to its competitors, is not based on published statistics or information from independent third parties, and therefore lacks source references. Information and statements of this kind reflect Stora Enso's best estimates based on the information obtained from customers, authorities, trade and business associations and other contacts in the sector where the Company will compete and information which has been published by the Company's competitors. Stora Enso believes that such information and such statements are useful in helping investors understand the sector in which the Company will operate and the Company's expected position in the sector. However, Stora Enso does not have access to the facts and assumptions behind the figures, market information and other information retrieved from publicly available sources. Nor has Stora Enso independently verified the information about the market provided by third parties or the sector, or generally available publications. Even if Stora Enso believes that these internal analyses are reliable, they have not been verified by any independent source and Stora Enso cannot guarantee their correctness or completeness. Stora Enso does not assume any liability for the correctness of any market share or sector information in the Information Brochure.

PRESENTATION OF FINANCIAL INFORMATION

The historical financial information of Bergslagets Skogar included in this Information Brochure has been derived from (i) Bergslagets Skogar's unaudited condensed combined interim financial information as at and for the nine-month period ended 30 September 2026, with comparable figures for the nine-month period ended 30 September 2025, which have been prepared in accordance with IAS 34 Interim financial reporting standard, and (ii) Bergslagets Skogar's unaudited combined financial statements as at and for the financial years ended 31 December 2025 and 2024, which have been prepared in accordance with IFRS Accounting Standards, as adopted by the EU. The financial information of Bergslagets Skogar has been prepared under consideration of the principles for determining which assets, liabilities, revenues, expenses, and cash flows should be allocated to Bergslagets Skogar in the Demerger as described in Note 1 to the unaudited condensed combined interim financial information and the unaudited combined financial statements included in the section "*Historical financial information*". Bergslagets Skogar has not formed a separate legal group of entities during the periods presented. Thus, the combined financial information may not be indicative of Bergslagets Skogar's future performance and do not necessarily reflect what its combined income statement, balance sheet and cash flows would have been, had Bergslagets Skogar operated as a standalone consolidated group and had it therefore presented standalone consolidated financial information during the periods presented.

Figures reported in the Information Brochure have in some cases been rounded. Accordingly, figures shown in totals in certain tables may not be an exact arithmetic aggregation of the figures which precede them. Unless otherwise stated, no financial information in the Information Brochure has been audited or formally reviewed by an auditor.

ADDITIONAL INFORMATION

The Information Brochure contains certain information with respect to Stora Enso and Bergslagets Skogar and is supplemented by the public filings and reports of Stora Enso, other information available on Stora Enso's website and the prospectus that will be published by Bergslagets Skogar prior to the admission to trading of Bergslagets Skogar's shares. Shareholders may obtain the following information:

- Stora Enso's interim report for the nine-month period ended 30 September 2026;
- Stora Enso's annual report for the financial year ended 31 December 2025;
- The Demerger Plan and related documentation; and
- Other information on Stora Enso's business, financial position, results of operations, cash flows and shares.

The information set out above is available at storaenso.com/egm2026. Shareholders are encouraged to read the information outlined above together with the Information Brochure.

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Certain important dates

3 December 2026	Record date of the EGM of Stora Enso
7 December 2026	Last day for shareholders of Stora Enso holding their shares in the Swedish book-entry system maintained by Euroclear Nordics AB to register for participation in the EGM
9 December 2026	Last day for shareholders of Stora Enso holding their shares in the Finnish book-entry system maintained by Euroclear Nordics Oy to register for participation in the EGM
10 December 2026	The last day for holders of nominee-registered shares to be temporarily registered in the shareholders' register maintained by Euroclear Nordics Oy in order to obtain the right to participate in the EGM of Stora Enso
15 December 2026	EGM of Stora Enso
31 March 2027	Planned date of registration of the incorporation of Bergslagets Skogar and the completion of the Demerger (provided that the conditions for the completion of the Demerger are fulfilled)
On or around 31 March 2027	Estimated record date for the Demerger for shareholders of Stora Enso holding their shares in the Finnish book-entry system maintained by Euroclear Nordics Oy
On or around 1 April 2027	Demerger Consideration expected to be delivered to the book-entry accounts of Stora Enso shareholders with shares registered with Euroclear Nordics Oy
On or around 2 April 2027	Estimated record date for the Demerger for shareholders of Stora Enso holding their shares in the Swedish book-entry system maintained by Euroclear Nordics AB
On or around 5 April 2027	Demerger Consideration expected to be delivered to the book-entry accounts of Stora Enso shareholders with shares registered with Euroclear Nordics AB
On or around 5 April 2027	Trading in the shares of Bergslagets Skogar expected to commence on Nasdaq Stockholm and Nasdaq Helsinki
On or around 5 April 2027	Commencement of distribution of Bergslagets Skogar ADSs to eligible holders of Stora Enso ADSs

Attendance at Stora Enso's Extraordinary General Meeting

Information regarding the right to participate and how to register for the EGM can be found in the notice convening the EGM. The notice, the Demerger Plan and other documents published prior to the EGM are available on Stora Enso's website, storaenso.com/egm2026.

Background and reasons

On 14 November 2025, Stora Enso announced its decision to initiate preparations to create the largest listed pure-play forest company in Europe[1] through a statutory cross-border partial demerger of its Swedish Forest Assets Business into a new Swedish publicly listed company, Bergslagets Skogar. The shares of Bergslagets Skogar are intended to be applied for admission to trading on Nasdaq Stockholm and Nasdaq Helsinki.

The Board of Directors and management of Stora Enso believe that the Demerger would be the best alternative to unlock the full potential of the Swedish Forest Assets Business, enabling enhanced focus on core strengths and market opportunities. The separation also aims at positioning Bergslagets Skogar for additional long-term opportunities of incremental value creation through, among other things, advanced forest management and land holding value optimization. The separation of the Swedish Forest Assets Business follows Stora Enso's stronger focus on renewable materials and packaging, with the aim to unlock the full potential of both the Swedish Forest Assets Business and Stora Enso's core packaging business, optimize capital allocation, reduce group complexity, and enable enhanced focus on the respective companies' core strengths and market opportunities, with the aim to accelerate value creation for shareholders, while providing an opportunity for current and new shareholders to invest directly in Bergslagets Skogar and Stora Enso.

Following the eventual completion of the Demerger, Bergslagets Skogar will offer investors direct exposure to a distinct asset class with expected long-term value appreciation, including a naturally growing forest stand. Bergslagets Skogar will own approximately 1.22 million[2] hectares of land with an estimated 136.9 million[3] m³fo of standing volume and a fair value of approximately SEK 63 billion[4], located at the core of Swedish industrial demand. Swedish forest assets have delivered an annual return of approximately 7 percent between 1995–2025, driven by land value appreciation, biological growth in standing stock, and harvest returns.[5] The anticipated stable cash flow generation, together with the potential for significant new revenue streams, is expected to offer investors access to stable, inflation-resilient forest returns with low correlation to other asset classes through the cycle. In addition, Bergslagets Skogar is considered to be well positioned for additional long-term opportunities of incremental value creation through, among other things, advanced forest management, land holding value optimization, renewable energy initiatives and carbon sequestration. In this regard, Bergslagets Skogar will incorporate sustainability considerations into its operations, with the forests binding approximately 1.5 million tonnes of CO_2 equivalents per annum in living stem wood biomass.[6] For the nine-month period ended 30 September 2026, Bergslagets Skogar had approximately SEK 1,610 million in total net sales and approximately SEK 1,082 million in adjusted operating profit. For the twelve-month period ended 30 September 2026, Bergslagets Skogar had a free cash flow return of approximately 1.6 percent in relation to fair value of forest assets. Bergslagets Skogar will be headquartered in Falun, Sweden.

Following the Demerger, the relationship between Bergslagets Skogar and Stora Enso will remain strategically important, and the two companies have entered into a long-term wood sales agreement (the "**WSA**") for a period of 18 years following the completion of the Demerger. The WSA will provide the Company with a committed and predictable demand base while ensuring flexibility and time for Bergslagets Skogar to develop as an independent company and to plan for and build its customer base and relationships. The WSA is built on predetermined committed volumes ensuring stable and resilient cash flows as well as gradually increasing, non-exclusive volumes available for other customers over the duration of the agreement.

On 30 October 2026, Stora Enso announced that the Board of Directors of Stora Enso had approved the Demerger Plan. On 2 November 2026, Stora Enso announced that the Board of Directors of Stora Enso had decided to convene the EGM to be held on 15 December 2026 to resolve on the Demerger in accordance with the Demerger Plan. The Demerger is estimated to be completed on or around 31 March 2027.

Helsinki, 23 November 2026

Stora Enso Oyj

Board of Directors

1) According to the Market Study, Bergslagets Skogar is expected to be the largest listed pure-play forest company in Europe (in terms of areals (hectares) and excluding integrated companies also handling wood processing).
2) As at 31 December 2025.
3) As at 30 September 2026.
4) As at 30 September 2026. Average forest asset fair value for a 12-month period defined as (Opening balance + Closing balance) / 2.
5) Source: Market Study, based on Swedish National Forest Inventory (NFI), Lantmäteriet (1995-2003), Ludvig&Co (2003-2025) and Swedish Forest Agency.
6) Source: Company information. The calculation is based on the net carbon sink for the Swedish forest reported in Stora Enso's Sustainability Statement for the year 2025, applying a conversion factor of 0.73 between m³fo and tonnes of CO_2 equivalents in living stem biomass. The figure is therefore derived from an industry-level conversion factor rather than an independently verified, Company-specific measurement.

Information regarding the Demerger

Summary of the Demerger

On 30 October 2026, it was announced that the Board of Directors of Stora Enso had approved the Demerger Plan. Pursuant to the Demerger Plan, all assets, rights, debts and liabilities of Stora Enso which relate to, or primarily serve, its Swedish Forest Assets Business, shall be transferred without a liquidation procedure to a Swedish public limited liability company (Sw. *publikt aktiebolag*) to be incorporated in the Demerger with the proposed name Bergslagets Skogar AB, as set out in the Demerger Plan. Stora Enso shall not be dissolved as a result of the Demerger and all assets, rights, debts and liabilities not allocated to Bergslagets Skogar in the Demerger Plan shall remain with Stora Enso. The completion of the Demerger is subject to, among other things, approval by the EGM and the other conditions set out in the Demerger Plan. The Demerger is deemed completed on the date of registration of completion of the Demerger with the Finnish Patent and Registration Office (the "**Effective Date**"). The planned Effective Date is 31 March 2027. The actual Effective Date may be earlier or later than the aforementioned planned date.

Provided that the EGM approves the Demerger Plan and resolves on the Demerger in accordance with the Demerger Plan, and that the Demerger is completed, the shareholders of Stora Enso will also become shareholders of Bergslagets Skogar, and will receive shares in Bergslagets Skogar in proportion to their existing shareholding in Stora Enso on the applicable record date (as further described below). For a description of certain rights which will be associated with the shares in Bergslagets Skogar, including those pursuant to the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*) and the Company's proposed articles of association, see the section "*Share capital and ownership*".

The dates, timing and technical delivery mechanics described in this section are indicative and based on the rules and procedures applied by Euroclear Nordics Oy ("**Euroclear Finland**") and Euroclear Nordics AB ("**Euroclear Sweden**"), respectively, in force as at the date of this Information Brochure. The Board of Directors of Stora Enso is authorized to resolve on changes to the delivery schedule and delivery mechanics of the Demerger Consideration (including resolving on changes to the Demerger Record Date (as defined below) or method of delivery of the Demerger Consideration), in case this is deemed necessary e.g., due to technical requirements related to the Finnish book-entry system maintained by Euroclear Finland (the "**Finnish Book-Entry System**"), the Swedish book-entry system maintained by Euroclear Sweden (the "**Swedish Book-Entry System**"), the rules and procedures applied by Euroclear Finland and/or Euroclear Sweden in force at each time, or otherwise.

Due to technical differences between the book-entry systems as well as the rules and procedures applied in the Swedish Book-Entry System and the Finnish Book-Entry System, the Demerger Record Date (as defined below) as well as the timing and technical delivery mechanics for the Demerger Consideration may be different for shareholders of Stora Enso holding their shares in the Swedish Book-Entry System (the "**Swedish Shareholders**") and shareholders of Stora Enso holding their shares in the Finnish Book-Entry System (the "**Finnish Shareholders**"), as presented further below.

Demerger Consideration ratio

The shareholders of Stora Enso will receive as Demerger Consideration one (1) new share of the corresponding share class in Bergslagets Skogar for each share owned in Stora Enso, i.e., the Demerger Consideration shall be issued to the shareholders of Stora Enso in proportion to their existing shareholding in Stora Enso with a ratio of 1:1 per share class where each share of class A in Stora Enso entitles to a new share of class A in Bergslagets Skogar and each share of class R in Stora Enso entitles to a new share of class B in Bergslagets Skogar.

The Demerger Consideration will be issued to the shareholders of Stora Enso based on the number of shares in Stora Enso recorded on each separate book-entry account of Stora Enso's shareholders on an applicable record date for the Demerger to be set in connection with the completion of the Demerger pursuant to the rules and procedures applied by Euroclear Sweden and Euroclear Finland (the "**Demerger Record Date**").

If the Demerger Consideration were to be allocated under the assumption that the Demerger had been completed on 30 October 2026, the total number of shares in Bergslagets Skogar to be issued as Demerger Consideration to the shareholders of Stora Enso would be 788,619,987, whereof 175,431,077 would be shares of class A and 613,188,910 shares of class B. The final total number of shares in Bergslagets Skogar to be issued as Demerger Consideration shall be determined on the basis of the number of shares in Stora Enso held by shareholders other than Stora Enso itself on the Finnish Record Date (as defined below).

The final total number of shares to be issued as Demerger Consideration may be affected by, among others, any change concerning the shares issued by Stora Enso, for example, Stora Enso issuing new shares (including share issues in accordance with Stora Enso's share-based incentive plans) or acquiring its own shares prior to the Effective Date.

Apart from the Demerger Consideration in the form of shares in Bergslagets Skogar, no other consideration shall be issued or paid to the shareholders of Stora Enso.

Stora Enso does not charge any fees from shareholders in connection with the Demerger. However, the account operators or brokers used by shareholders may charge fees related to the maintenance of book-entry accounts or the custody of shares.

For further information on delivery of the Demerger Consideration, see the section "*Information regarding the Demerger – Receipt of the shares in Bergslagets Skogar*". For a description of certain tax considerations relating to the allocation of shares in Bergslagets Skogar, see the section "*Tax considerations*".

Record date

The Demerger Record Date is to be set in connection with the completion of the Demerger pursuant to the rules and procedures applied by Euroclear Sweden and Euroclear Finland.

In accordance with the rules and procedures applied by Euroclear Finland as at the date of this Information Brochure, the applicable Demerger Record Date with respect to Finnish Shareholders (the "**Finnish Record Date**") shall be the Effective Date, or in case the Effective Date does not fall on a registration day, as defined in Euroclear Finland's rules in force at that time (the "**Finnish Registration Day**"), the first Finnish Registration Day immediately preceding the Effective Date, or in case this is not possible, on a date separately resolved by the Board of Directors of Stora Enso, as soon as possible prior, or subsequent, to the Effective Date.

In accordance with the rules and procedures applied by Euroclear Sweden as at the date of this Information Brochure, the applicable Demerger Record Date with respect to Swedish Shareholders (the "**Swedish Record Date**") shall be the second Swedish banking day following the Finnish Record Date, or in case this is not possible, on a date separately resolved by the Board of Directors of Stora Enso, as soon as possible prior, or subsequent, to the Effective Date.

In accordance with the rules and procedures applied by Euroclear Sweden and Euroclear Finland as at the date of this Information Brochure, assuming that the Demerger is completed on the planned Effective Date on 31 March 2027, the Demerger Record Date is estimated to be on or around 31 March 2027 for Finnish Shareholders and on or around 2 April 2027 for Swedish Shareholders. The last day of trading in Stora Enso's shares, including the right to receive Demerger Consideration, is estimated to be on or around 31 March 2027, both on Nasdaq Stockholm and Nasdaq Helsinki. The shares in Stora Enso are estimated to be traded excluding the right to receive Demerger Consideration from on or around 1 April 2027 on both Nasdaq Stockholm and Nasdaq Helsinki.

Receipt of the shares in Bergslagets Skogar

The Demerger Consideration will be distributed automatically, and no separate action is required from the Swedish Shareholders or the Finnish Shareholders to receive the Demerger Consideration.

The Demerger Consideration will be delivered in the form of shares of Bergslagets Skogar registered in the Swedish Book-Entry System, or in the form of so-called link securities in the Finnish Book-Entry System representing shares in Bergslagets Skogar in the Swedish Book-Entry System, or through similar arrangements.

The shares in Bergslagets Skogar to be issued as Demerger Consideration to Swedish Shareholders shall be delivered to their book-entry accounts in the Swedish Book-Entry System.

In accordance with the rules and procedures applied by Euroclear Sweden as at the date of this Information Brochure, assuming that the Demerger is completed on the planned Effective Date on 31 March 2027, the shares in Bergslagets Skogar issued as Demerger Consideration are expected to be delivered to the book-entry accounts of Swedish Shareholders on or around 5 April 2027.

As at the date of this Information Brochure, the shares in Bergslagets Skogar to be issued as Demerger Consideration to Finnish Shareholders cannot due to technical reasons be delivered directly to book-entry accounts in the Finnish Book-Entry System. To facilitate the technical delivery of the Demerger Consideration to Finnish Shareholders, the shares in Bergslagets Skogar to be issued as Demerger Consideration to Finnish Shareholders will be delivered to a nominee account in the Swedish Book-Entry System in the name of Euroclear Finland (the "**Euroclear Finland Nominee Account**"). The shares in Bergslagets Skogar to be issued as Demerger Consideration to which Finnish Shareholders are entitled would be held in the Euroclear Finland Nominee Account and administered by Euroclear Finland, acting as a nominee in the Swedish Book-Entry System on behalf of the Finnish Shareholders. As part of this arrangement, the Demerger Consideration will be delivered to Finnish Shareholders in the form of so-called link securities issued by Euroclear Finland in the Finnish Book-Entry System and recorded on the book-entry accounts of the Finnish Shareholders, with such link securities representing the shares in Bergslagets Skogar (with a ratio of 1:1 per share class) issued in the Swedish Book-Entry System that are held on the Euroclear Finland Nominee Account.

In accordance with the rules and procedures applied by Euroclear Finland as at the date of this Information Brochure, assuming that the Demerger is completed on the planned Effective Date, the shares in Bergslagets Skogar issued as Demerger Consideration are expected to be delivered in the form of so-called link securities to the Finnish Shareholders on or around 1 April 2027.

Listing of the shares in Bergslagets Skogar

The shares of Bergslagets Skogar are intended to be applied for admission to trading on Nasdaq Stockholm and Nasdaq Helsinki. The first day of trading in the shares of Bergslagets Skogar is estimated to be on or around 5 April 2027 on both Nasdaq Stockholm and Nasdaq Helsinki. Information regarding the ISIN codes and ticker symbols for Bergslagets Skogar's shares of class A and class B will be included in the prospectus to be published by the Company prior to the admission to trading of the Company's shares.

Holders of Stora Enso American depositary shares

Stora Enso has a sponsored Level I American depositary share ("**ADS**") facility. In the United States, the Stora Enso American depositary shares ("**Stora Enso ADS**") are traded on the over-the-counter ("**OTC**") market. Citibank, N.A. acts as the depositary bank (the "**Stora Enso Depositary**") for the Stora Enso ADSs created on the basis of the deposit of the shares of class R in Stora Enso, and which may be evidenced by American depositary receipts ("**ADRs**"). As at 30 September 2026, there were 12,366,401 Stora Enso ADSs outstanding. Each Stora Enso ADS issued under the amended and restated deposit agreement (the "**Stora Enso Deposit Agreement**") among Stora Enso, the Stora Enso Depositary, and the holders and beneficial owners of Stora Enso ADSs (the "**Stora Enso ADS Holders**"), represents one share of class R in Stora Enso (each a "**Deposited Share**").

Provided that the EGM approves the Demerger Plan and resolves on the Demerger in accordance with the Demerger Plan, and that the Demerger is completed, Bergslagets Skogar intends to set up a corresponding sponsored Level I ADS facility (the "**ADS Program**"). It is anticipated that Citibank, N.A. shall be appointed as the depositary bank (the "**Bergslagets Skogar Depositary**") for the Bergslagets Skogar American depositary shares ("**Bergslagets Skogar ADS**") created on the basis of the deposit of the shares of class B in Bergslagets Skogar, and which ADSs may be evidenced by ADRs. A deposit agreement is to be entered into among Bergslagets Skogar, the Bergslagets Skogar Depositary, and all holders and beneficial owners of Bergslagets Skogar ADSs, setting out the terms of the ADS Program (the "**Bergslagets Skogar Deposit Agreement**"). At the completion of the Demerger, shares of class B in Bergslagets Skogar will be allocated as Demerger Consideration with respect to the deposited shares held by the Stora Enso Depositary's custodian under the Stora Enso Deposit Agreement for the benefit of the Stora Enso ADS Holders and, subject to compliance with the provisions of the Bergslagets Skogar Deposit Agreement and Stora Enso Deposit Agreement, the Bergslagets Skogar Depositary will issue and deliver Bergslagets Skogar ADSs to the Stora Enso ADS Holders entitled thereto.

To the extent Bergslagets Skogar ADSs are able to be distributed under the terms of the Stora Enso Deposit Agreement, it is anticipated that each Stora Enso ADS Holder will be entitled to receive one Bergslagets Skogar ADS for each Stora Enso ADS held as of the record date to be established by the Stora Enso Depositary for the allocation of the Demerger Consideration (the "**Stora Enso ADS Record Date**") with each Bergslagets Skogar ADS representing one share of class B in Bergslagets Skogar.

The last day Stora Enso ADSs will represent Stora Enso's shares including the right to receive Demerger Consideration is estimated to be on or around 31 March 2027. The first day Stora Enso ADSs will represent Stora Enso's shares excluding the right to receive Demerger Consideration is estimated to be on or around 1 April 2027. The Stora Enso ADS Record Date for the right to receive Bergslagets Skogar ADSs is expected to be on or around 31 March 2027. The distribution of Bergslagets Skogar ADSs to eligible Stora Enso ADS Holders is expected to commence on or around 5 April 2027.

Persons holding Stora Enso ADSs through a bank, broker or other nominee should contact such entity regarding the receipt of the Bergslagets Skogar ADSs to which they may be entitled. Stora Enso ADS Holders (other than the nominee of the Stora Enso Depositary) will receive the Bergslagets Skogar ADSs in book-entry form and holding statements will be mailed to such holders as soon as practicable after the Demerger.

Bergslagets Skogar will be required to pay all fees for general depositary services provided by the Bergslagets Skogar Depositary in the Bergslagets Skogar Deposit Agreement in connection with the issuance and distribution of the Demerger Consideration by the Bergslagets Skogar Depositary to the Stora Enso ADS Holders. In addition, in connection with receiving Bergslagets Skogar ADSs, Stora Enso ADS Holders will be charged, have deducted or be required to pay any applicable fees, charges and expenses of the Stora Enso Depositary or the Bergslagets Skogar Depositary and any applicable taxes or other governmental charges. The fees, charges and expenses applicable with respect to the Bergslagets Skogar ADSs will be disclosed in the Bergslagets Skogar Deposit Agreement. For additional information, see the section "*Share capital and ownership – American depositary shares*".

The Bergslagets Skogar ADSs will not be listed on any U.S. securities exchange. It is anticipated, however, that such Bergslagets Skogar ADSs will be eligible for trading on the U.S. OTC market.

Creditor consents and waivers

Pursuant to the Finnish Companies Act (624/2006, as amended), the Demerger requires the prior completion of a creditor hearing process during which creditors of Stora Enso may object to the Demerger until 15 February 2027.

In order to facilitate the Demerger, Stora Enso has obtained waivers with respect to the vast majority of its financings, whereby the respective creditors have consented to the Demerger and waived their statutory creditor rights under Chapter 17 of the Finnish Companies Act with respect to the Demerger.



Description of Bergslagets Skogar

Bergslagets Skogar will not be incorporated until the Swedish Companies Registration Office (Sw. Bolagsverket) registers its incorporation in connection with the completion of the Demerger and, therefore, the following information is based on information available at the date of this Information Brochure regarding Bergslagets Skogar's business, including the assets and liabilities to be transferred to Bergslagets Skogar as a result of the Demerger. The following information reflects a number of assumptions and expectations regarding Bergslagets Skogar's operations, including that the Demerger will be completed in the manner or in the timeframe contemplated in this Information Brochure, or at all, or that the operations of Bergslagets Skogar will be organized as anticipated as at the date of this Information Brochure, any of which may cause any of the statements below to not materialize. References in this section to the Company's opinion or estimates are based on the knowledge and information available to Stora Enso on the date of this Information Brochure. The Demerger Plan is available on Stora Enso's website, storaenso.com/forestdemerger.

Bergslagets Skogar in brief

Bergslagets Skogar is, upon listing, expected to be Europe's largest listed pure-play forest owner.[1)] The Company owns and manages approximately 1.22 million hectares of land concentrated in mid-Sweden, within one of Sweden's most productive forest-growing regions and in close proximity to a dense concentration of sawmills and pulp mills (see the section "*Market overview – Competitive landscape and regulatory environment*" for further details on the benefits of the Company's geographical location).

As an independent company, Bergslagets Skogar will have a dedicated focus on managing its forest and land holdings for long-term value creation. Building on the stability provided by its long-term customer arrangements, the Company will be able to develop a broader commercial platform over time, optimize forest productivity and harvest planning, pursue land optimization and selected adjacent opportunities, and allocate capital independently between reinvestment, growth and shareholder distributions. This provides Bergslagets Skogar with the opportunity to create value beyond its historical role as a source of wood for an integrated industrial owner.

~1.2m ha Land holdings	**~137m m³fo** Standing stock	**~3m m³ sub** Of annual harvesting volume
SEK ~63bn Fair value of forest assets[1)]	**~1% p.a.** Growth in net standing stock[2)]	**+700 years** Of forest heritage

Europe's largest listed pure-play forest owner

Source: Company information, according to the Market Study, Bergslagets Skogar is expected to be the largest listed pure-play forest company in Europe (in terms of areals (hectares) and excluding integrated companies also handling wood processing).
Note: 1) Average forest asset fair value for a 12-month period defined as (Opening balance + Closing balance) / 2.
2) Annual net standing stock growth target measured as a running 10-year average.

1) According to the Market Study, Bergslagets Skogar is expected to be the largest listed pure-play forest company in Europe (in terms of areals (hectares) and excluding integrated companies also handling wood processing).

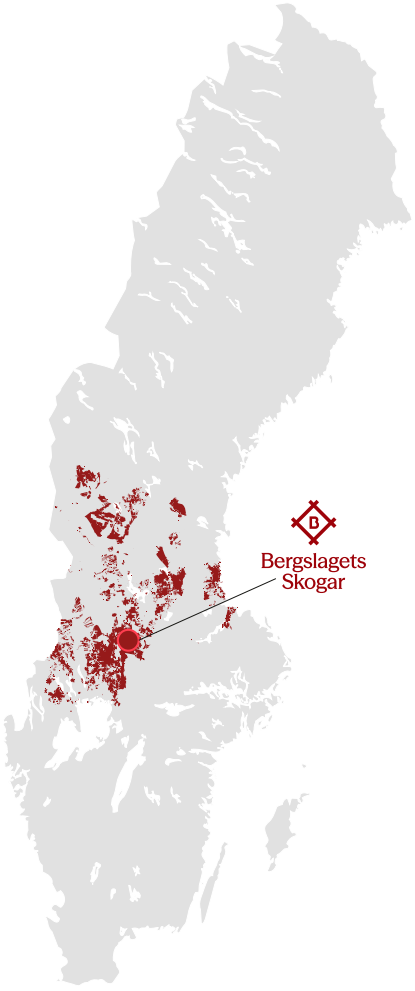
Bergslagets Skogar's operations are built on long-term forest ownership and forest management resulting in continuous improvement of its forest asset base. The Company aims to establish itself as a trusted leader in modern forestry by combining science-based decision making, forest intelligence and responsible land stewardship. Its ability to generate long-term cash flows depends on maintaining healthy, productive, resilient and certified forests, meaning that sustainability considerations are embedded in silviculture, harvest planning, biodiversity measures and land-use decisions.

The Company's core business is the ownership, management and long-term development of its forest estate, principally monetized through the sale of harvesting rights to industrial customers in the Swedish saw and pulp mill industry. This commercial model is supported by deep forestry expertise, including generations of forestry know-how, increasingly granular forest data and digital tools, and a disciplined approach to harvest planning, allowing the Company to manage its forests as a long-term biological asset rather than as a short-term supply source. The mid-Sweden location of the Company places its land holdings within close proximity to a substantial concentration of Swedish saw and pulp mill capacity, with annual wood demand from mills within the Company's effective haul radius materially exceeding local harvesting.

Bergslagets Skogar operates a capital-light business model centered on forest ownership and management. The Company concentrates on the upstream segment of the forest industry value chain, retaining the long-term value of forest ownership while outsourcing harvesting operations through the sale of harvesting rights. This approach supports a lean cost structure, limited capital expenditure requirements and reduced exposure to downstream processing cycles. As an independent forest owner, the Company is expected to have the flexibility to balance harvest timing, land optimization, adjacent land-based revenues, assortment mix and capital allocation decisions over the cycle, subject to sustainable forestry requirements, contractual commitments and the financial policy adopted by the Company.

The sale of harvesting rights is complemented by adjacent activities that arise from the Company's nursery operations and broader land holding. Together, these activities provide the Company with additional cash flow streams alongside the core forestry operations and help monetize different parts of the land base without materially increasing capital intensity.



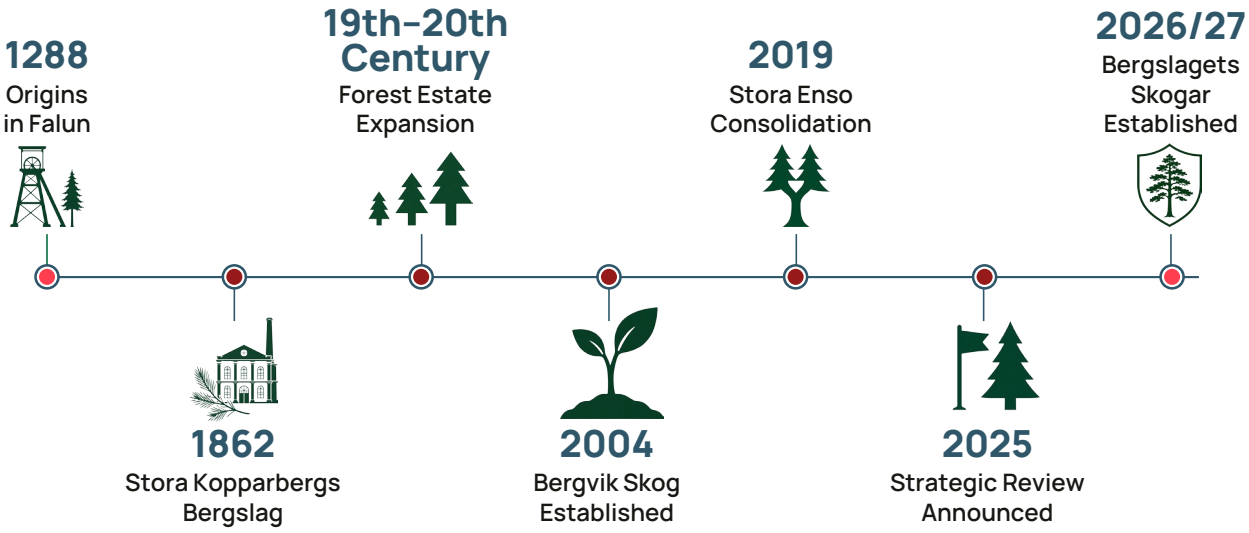


Source: Company information.

History of Bergslagets Skogar

Bergslagets Skogar's heritage is deeply rooted in the natural and industrial history of mid-Sweden, with origins dating back more than 700 years. The Company's predecessor entity, Stora Kopparbergs Bergslag, was founded around 1288 in Falun as a copper mining operation and over the centuries evolved into one of Sweden's most significant industrial enterprises. The forests of mid-Sweden were not only a source of raw material for this development; they were part of the operating system that supported the mining and iron industries, and later the pulp and paper industries that over the centuries shaped the Bergslagen region. This long history has created a culture of land stewardship in which forest ownership is understood as a multi-generational responsibility, supported by people and practices that have remained closely connected to the forest, the local landscape and the practical realities of managing land over long time horizons.

The enterprise was reorganized as Stora Kopparbergs Bergslag in 1862, reflecting its expanding interests across mining, forestry and iron production. Through the 19th and 20th centuries, the forest holdings associated with Stora Kopparbergs Bergslags grew substantially as the enterprise consolidated its position as one of Sweden's largest landowners. Over the same period, forest management became increasingly professionalized, with modern silvicultural practices, mechanized harvesting and dedicated nursery operations gradually replacing a more extraction-led model. This evolution matters for Bergslagets Skogar today because it established the operational knowledge base, local forestry experience and long-cycle planning culture on which the Company now builds.



Source: Company information.

In the modern era, the forest estate underwent a series of structural transformations that shaped the Company into what it is today. In 2004, Bergvik Skog AB ("**Bergvik Skog**") was founded to acquire forest assets from Stora Enso and Korsnäs, creating a dedicated forest holding vehicle and marking a significant step toward professional large-scale forest asset management in Sweden. In November 2017, the shareholders of Bergvik Skog initiated preliminary discussions on structural changes to the ownership and governance of the entity. These discussions culminated in November 2018, when Stora Enso signed an agreement to acquire forest assets in Bergvik Skog. The restructuring of Bergvik Skog's forest holdings was finalized in May 2019, consolidating the mid-Swedish forest perimeter under Stora Enso's direct ownership. During the period under Stora Enso's ownership from 2019 to 2026, the forest estate benefited from continued investment in operational capabilities, including forest management practices, silvicultural expertise, customer and contract processes, and the data and technology tools used to plan and execute forestry operations, including more data-driven biodiversity management.

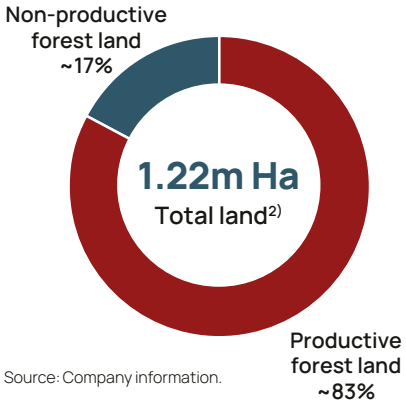
In November 2025, following the completion of a strategic review, Stora Enso announced its decision to pursue a separation of its Swedish Forest Assets Business into a new publicly listed company and initiate preparations for the Demerger. On 30 October 2026, Stora Enso announced that the Board of Directors of Stora Enso had approved the Demerger Plan. On 2 November 2026, Stora Enso announced that the Board of Directors of Stora Enso had decided to convene the EGM to be held on 15 December 2026 to resolve on the Demerger in accordance with the Demerger Plan. The establishment of Bergslagets Skogar as an independent company following the eventual completion of the Demerger represents the next phase in more than seven centuries of forest and land management in mid-Sweden. It positions the Company as a technology-enabled forest owner with a focus on managing its forests for long-term asset value, customer delivery, sustainability outcomes and independent capital allocation.

Forest assets and operations

Bergslagets Skogar manages its forests as long-term living assets, where knowledge of the land, forestry expertise and forest intelligence guide decisions across rotation periods. Better knowledge of the forest enables the Company to make better decisions, and better decisions compound over decades. The Company combines long-standing forestry expertise in mid-Sweden with increasingly granular forest data and digital planning tools so that productivity, biodiversity and resilience are considered together. As a result, decisions made at the level of an individual seedling, growing tree, stand, road, harvest area or biodiversity measure are connected to the long-term development of the estate as a whole.

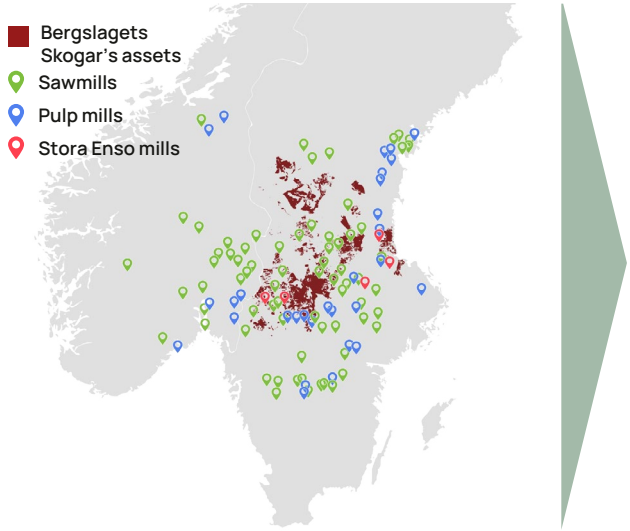
Forest estate overview

Bergslagets Skogar owns and manages approximately 1.22 million hectares of land in mid-Sweden. The scale of the estate becomes valuable through the Company's ability to understand, classify and manage the land according to its productive, ecological and commercial potential. Approximately 1.00 million hectares, or approximately 83 percent of the total land area, constitutes productive forest land, meaning forest land used for commercial wood production.[1)]



Source: Company information.

The concentration of the estate in mid-Sweden gives this operating model a strong starting point. The region combines attractive site productivity with proximity to a dense network of Swedish saw and pulp mills. Higher site productivity refers to silvicultural decisions translating into stronger biological growth per hectare. Proximity to mills entails a direct link between harvest plans and nearby industrial demand without reliance on long and costly transport routes. Together, this creates a practical connection between biology and commercial execution. The forest grows in a productive region, is managed with detailed stand-level knowledge, and can be harvested into a nearby market where demand for wood is structurally significant (see the section "*Market overview – Competitive landscape and regulatory environment*").



Source: Company information.

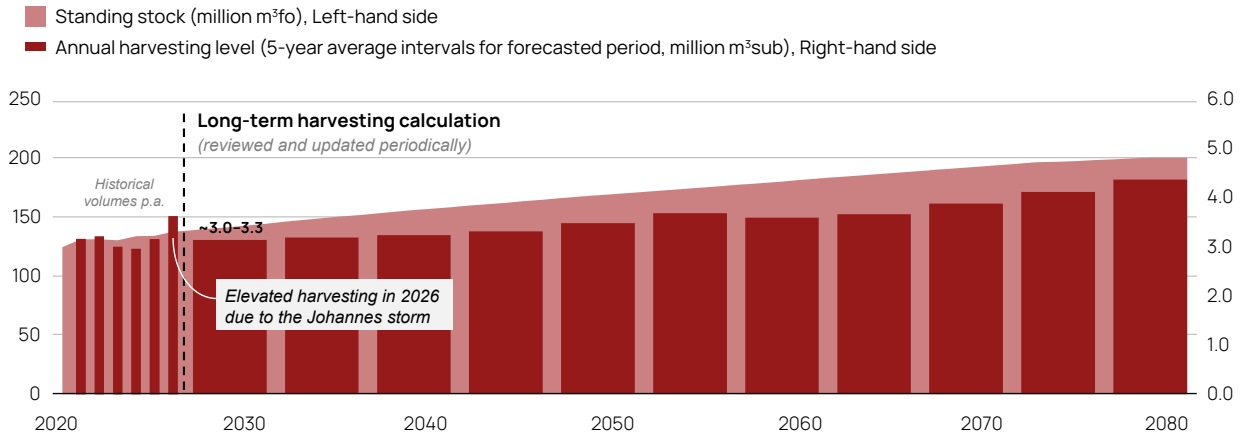
County	Productive forest land hectares ('000)
Värmland	341
Dalarna	301
Jämtland	181
Gävleborg	147
Other[3)]	33
Total	**1,003**

1) Land holding as at 31 December 2025.
2) Total owned hectares is 1.26m, displayed figures exclude 0.04m hectares of water.
3) "Other" comprises Uppsala, Örebro, Halland, Västmanland and Västra Götaland.

As at 30 September 2026, the total standing volume across the Company's forest estate was approximately 136.9 million m³fo. Standing volume refers to the estimated volume of living trees standing in the forest at a given point in time, typically calculated from forest inventory data such as tree species, age class distribution, tree height, diameter and site characteristics. For Bergslagets Skogar, this measure represents the accumulated outcome of past regeneration, thinning, protection and harvesting decisions. It also gives the Company optionality because timber continues to grow while standing, allowing the Company to balance recurring harvest income with the preservation and development of future biological value.

The Company's long-term harvest plan and the development of its asset base are designed to balance recurring harvest cash flows with standing stock development, age-class structure, biodiversity considerations and long-term productive capacity. By planning sustainable harvest levels across the estate over an extended horizon, Bergslagets Skogar seeks to convert part of the forest's annual biological growth into cash flow while retaining the future growth potential and resilience of the forest resource. This planning discipline supports stability through recurring harvest levels, predictability through long-term coordination across stands and age classes, and flexibility by allowing the Company to calibrate harvest timing within sustainable yield, certification and biodiversity requirements. This is central to the Company's forestry model, as it coordinates harvesting, thinning, regeneration and conservation measures across different stands and stages of the forestry cycle.

Long-term development of asset base



Source: Company information.

Note: Based on latest harvesting calculation (AVB) as of October 2026, which is reviewed and updated on a regular basis.



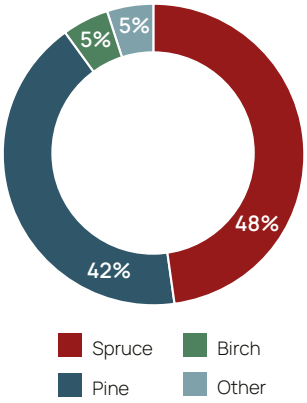
Species composition and standing stock

The species composition of the forest estate is the result of natural growing conditions in mid-Sweden and decades of silvicultural choices. Approximately 42 percent of the standing stock is pine, 48 percent is spruce, 5 percent is birch and 5 percent is other species. Pine and spruce together account for approximately 90 percent of the total standing stock. This species composition is fundamental since the Company's operational expertise is applied to a resource base that is naturally aligned with the principal requirements of Swedish sawlog and pulpwood markets. Pine and spruce provide the strength, fiber quality and predictability required in construction, packaging and other fiber-based applications (see the section "*Market overview – Introduction to the market of Bergslagets Skogar*").

The current species composition of the forest estate is not only a result of past management decisions but also provides a foundation for future value creation. Through regeneration activities, the Company seeks to maintain and enhance the productivity and resilience of future standing stock. Following the selection of the most suitable tree species for each site, or mix of several different species, the Company further optimizes regeneration outcomes through its tree breeding program. Seedlings supplied by the Company's nurseries are selected such that the genetic characteristics developed through the breeding program are matched to local site conditions and expected future climate conditions. This enables the Company to improve growth and survival rates, reduce risks associated with poor site adaptation, and enhance resilience to pests, diseases and climate-related stresses. By combining access to improved genetic material with local forestry expertise, the Company can make regeneration choices that are tailored to the specific conditions and long-term potential of each site.

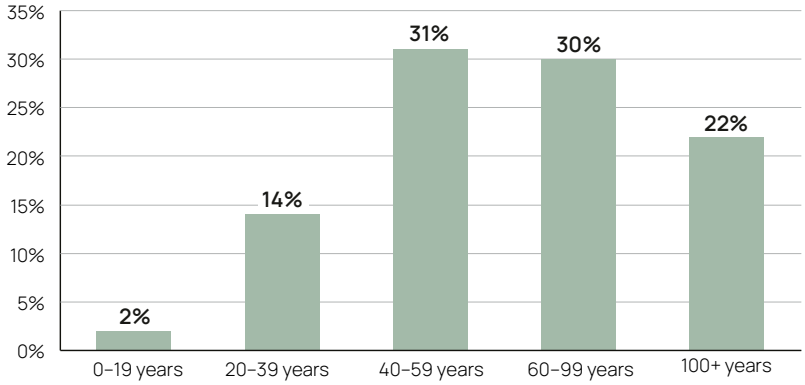
The age class distribution of the standing stock reflects a balanced distribution of forests across different stages of the forestry cycle. Approximately 2 percent of the standing stock is in forests aged 0–19 years, 14 percent in forests aged 20–39 years and 31 percent in forests aged 40–59 years. A further approximately 30 percent is in forests aged 60–99 years, while approximately 22 percent is in forests aged 100 years or older. This relatively even age class profile supports a continued delivery of regeneration, commercial thinning and regeneration felling over time, helping the Company to balance recurring harvest cash flows with the continued growth and development of future standing stock.

Species composition



Source: Company information.

Age class distribution



Source: Company information.

The forestry cycle and long-term forestry model

Forestry value is created through a sequence of decisions that are made years, and often decades, before the value is realized. Bergslagets Skogar manages its forests over rotation periods spanning 60 to 100 years from regeneration and planting to regeneration felling. Over that period, choices around seedling quality, species selection, thinning intensity, harvest timing, road access and biodiversity and other environmental considerations determine not only how much wood is produced, but also the quality of that wood, the cost of accessing it, and the resilience of the surrounding ecosystem. Commercial thinning during the rotation period allows part of the stand's biological growth to be converted into cash flow before final harvest, while the remaining trees continue to mature and increase in value. Commercial thinning also strengthens stand resilience by promoting the development of more stable remaining trees and reducing dense, moist conditions that favor certain tree pests and pathogens. This creates a forestry model in which cash flows can be generated throughout the forestry cycle rather than only at the stage of regeneration felling. As at 30 September 2026, approximately 125 roles within the Company's Forestry Department, excluding real estate and nursery functions, supported the Company's forest management activities, including silviculture planning, harvest design and monitoring of forest biodiversity and health.

Forestry Cycle



Source: Company information.

Each stage of the forestry cycle therefore has a specific purpose, and each stage builds on the previous one:

- **Regeneration (0–2 years).** Following regeneration felling, the forest floor is prepared and replanted with high-yield seedlings produced in the Company's own nurseries. Preparing the forest floor typically involves site preparation such as scarification, where patches of soil are exposed or loosened to create suitable planting spots, reduce competition from surrounding vegetation and improve seedling access to moisture and nutrients. Because the Company controls the seedling pipeline and applies site-specific data on factors such as latitude, moisture and elevation, regeneration is not simply a tree replacement activity. It is the first opportunity to improve the next forest generation before the stand has even begun to grow.
- **Pre-commercial thinning (8–15 years).** The Company selectively cuts smaller, weaker or poorly positioned young trees so that the most promising stems receive more light, water and nutrients. In practice, the cut material is normally left in the forest, where it contributes organic matter, while the value is captured through better stand quality rather than immediate sale proceeds. This early intervention is one of the clearest examples of how specialist forestry judgment creates value before commercial harvesting begins. By reducing competition at the right time, the Company increases the likelihood that later commercial thinning will produce merchantable wood and that the final stand will contain a higher share of sawlog-quality stems.
- **First commercial thinning (30–40 years).** The first commercial thinning begins to convert decades of biological growth into cash flow while continuing to improve the remaining stand. Trees removed at this stage are merchantable and primarily supply pulpwood markets. By reducing stand density, thinning also allows more light to reach the forest floor, which can support the development of ground vegetation and contribute to greater structural variation within the stand. The retained stems continue to gain diameter and quality, allowing the stand to start contributing economically while supporting the higher-value potential of the trees left to mature.
- **Second commercial thinning (40–60 years).** A second selective thinning provides a further harvesting cash flow, typically producing both pulpwood and sawlogs, while concentrating growth in the strongest remaining stems. The operational judgment plays a crucial role at this stage of the rotation period. Insufficient thinning can leave value trapped in over-competition, while excessive thinning can reduce future standing volume or increase exposure to windfelling. The Company's accumulated silvicultural expertise, supported by stand-level data, helps determine the right intervention for each site so that current cash generation and future sawlog potential remain balanced.
- **Regeneration felling (60–100 years).** Regeneration felling is timed when biological maturity, timber quality, market conditions, access considerations and biodiversity measures can be brought together in a coherent harvest plan. This is typically the point at which the highest-value assortments, including sawlogs, are realized. The value of the previous decades is captured at this stage, but the decision also sets the starting conditions for the next rotation. Harvesting is therefore both the final monetization of one cycle and the first step in creating the next one.

In summary, century-scale harvest plans provide a long-term frame, while field experience, inventory data, growth models, weather information, forest health monitoring and climate scenario analysis continuously refine those plans. If a stand develops differently than expected, pest pressure emerges, market demand shifts or biodiversity considerations require a different harvest design, the Company can adjust the operational plan while maintaining the long-term objective. This balance is central to the economics of forestry. The Company seeks to generate recurring cash flows through commercial thinning and regeneration felling, while preserving the biological growth that supports future harvests. The Company's broad estate, with stands at different ages and maturity levels, supports a diversified harvest profile across years and stages of the forestry cycle. Within sustainable yield, certification and regulatory requirements, harvest timing is a responsible planning discipline rather than a short-term production decision. Management can decide which stands to harvest, which stands to thin and which stands to allow to continue growing, balancing current cash generation with forest health, biodiversity, regeneration conditions and the value of leaving timber to continue compounding biologically in the forest.

The conventional rotation model described above is commonly referred to as clear-cutting (Sw. *trakthyggesbruk*), under which a stand is harvested in its entirety at regeneration felling and a new, even-aged stand is subsequently established through regeneration. This remains the predominant forest management method applied across the Company's forest estate. In addition to this conventional rotation model, the Company applies alternative forest management methods on selected sites where considered appropriate. These methods include continuous cover forestry, under which selected trees are harvested while continuous tree cover is maintained and natural regeneration or gradual stand development is supported. The choice of forest management method depends on site conditions, the stand specific ecological values to be promoted, operational considerations and the long-term objectives for the relevant stand. The Company's application of alternative forest management methods also forms part of its approach to responsible forestry and compliance with applicable certification requirements.

Across the forestry cycle, silviculture functions as the Company's decision framework for turning biological growth into recurring commercial value. Rather than applying a standard treatment to each stand, specialists assess local soil, moisture, exposure, species mix, growth performance and biodiversity considerations to determine the right intervention and timing. Forest intelligence strengthens this judgment by showing where action is needed and how individual stand-level decisions affect future thinning potential, final harvest quality and estate-wide productivity. This demonstrates how practical forestry experience and data work together. Expertise determines the appropriate treatment, and data enables it to be applied consistently across a large and diverse forest estate.

Nurseries and tree breeding

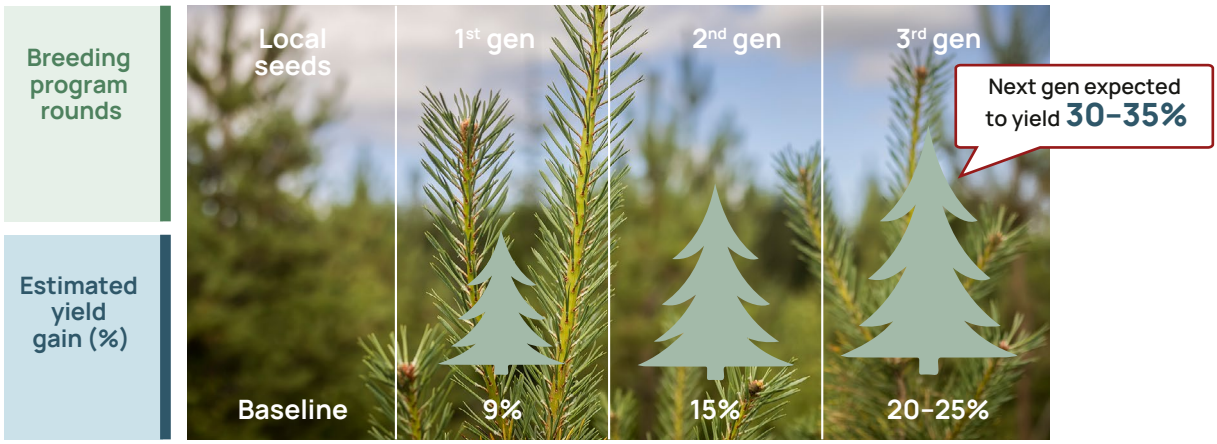
The nursery operations sit at the beginning of the same value chain. A nursery is a controlled facility where tree seeds are germinated and young seedlings are cultivated until they are robust enough to be transplanted into the forest. In practical terms, controlled conditions entail being able to manage temperature, light, watering, nutrition, root development and protection from disease more consistently than in open-field regeneration. For Bergslagets Skogar, the nurseries provide direct influence over the quality and resilience of the next rotation, decades before the resulting timber is harvested.

Bergslagets Skogar operates three nurseries, Nässja, Sör Amsberg, and Sjögränd, comprising 17 greenhouses and employing approximately 60 people. These nurseries supply the Company's internal regeneration requirements following harvest and support external commercial seedling sales (see the section "*Description of Bergslagets Skogar – Business model*"). The two activities reinforce each other: the scale and expertise needed to supply the Company's own forests support an external seedling business, while external demand helps demonstrate the relevance of the Company's tree breeding and nursery capabilities beyond its own land base.

Customized seedlings are planted at suitable sites using data-driven insights, matching the seedlings to the site-specific conditions. The nurseries are supported by seed orchards, meaning dedicated plantations where selected superior parent trees are cultivated to produce high-quality seeds. The tree breeding process is iterative. Parent trees are selected for desired growth, quality and resilience characteristics, their offspring are tested over time under relevant growing conditions, and the best-performing planting material is used in future seed orchards and nursery production. Desired characteristics typically include faster growth, straighter stems, stronger root systems, improved survival rates, better adaptation to local climate and stronger resistance to pests, disease or weather stress. This connection between breeding, data and field knowledge is important because a seedling that is well matched to its site is more likely to survive, grow efficiently and develop into higher-quality timber. A better starting point at planting therefore increases the probability of better outcomes at thinning, regeneration felling and regeneration of the next rotation period.

The Company takes part in the Swedish tree breeding program run by the Swedish Forestry Research Institute. The Swedish tree breeding program has been improving forests for more than 70 years. Through long-term field testing, genetic selection and seed orchards, improved planting material today delivers 20–25 percent higher growth while strengthening resilience to future climate conditions. These yield gains refer primarily to higher expected usable timber volume per hectare over the rotation, rather than a higher price per cubic meter. In other words, improved seedlings are expected to grow into stands that produce more harvestable wood on comparable sites than stands established with seed material from an existing stand of trees established before the tree breeding program started, while improvements in stem form and resilience are also able to support timber quality. The program is continuously developed over the tree generations and has delivered approximately

9 percent yield gains from first-generation seedlings, approximately 15 percent from second-generation seedlings, and approximately 20–25 percent from the current third-generation seedlings deployed across the forest estate. The next generation is expected to deliver yield gains of approximately 30–35 percent[1),2)] These yield gains are valuable because higher growth per hectare can increase future harvestable volume, improve the timing and quality of commercial thinning, and support higher standing stock value without requiring a larger land base.



Source: Company information.

The benefit of tree breeding and seedling development is therefore cumulative rather than immediate. Faster growth, improved timber quality, more efficient carbon absorption per hectare and stronger resilience to weather, pests and climate-related stresses all begin with the properties of the seedling, but the effect is realized over the full rotation. By combining nursery control with long-term field knowledge and forest intelligence, the Company can feed learning from the forest back into future planting decisions. This creates a cycle of operational improvement across generations of trees and supports the recurring cash flow profile of the forest, as stronger early growth can improve the quality and timing of later commercial thinning as well as regeneration felling.

Access to advanced planting material supports the Company's ability to deploy improved seedlings at scale. Each successive breeding generation is the result of decades of field testing and genetic selection, meaning that third- and fourth-generation seedlings cannot simply be purchased or substituted; they must be developed over long time horizons through sustained investment in breeding programs. By owning and operating its own nurseries and seed orchards, the Company secures direct and prioritized access to this scarce planting material, rather than depending on external suppliers whose capacity and priorities it cannot control. The next generation of seedlings, expected to deliver approximately 30–35 percent[1)] higher yield gains, reflects breeding work already underway, providing the Company with future productivity improvements that competitors without comparable in-house breeding programs are unlikely to access on the same timeline. This combination of scarcity, long lead times and vertically integrated control over the seedling pipeline supports both the resilience of the Company's own forests and its external seedling sales business.

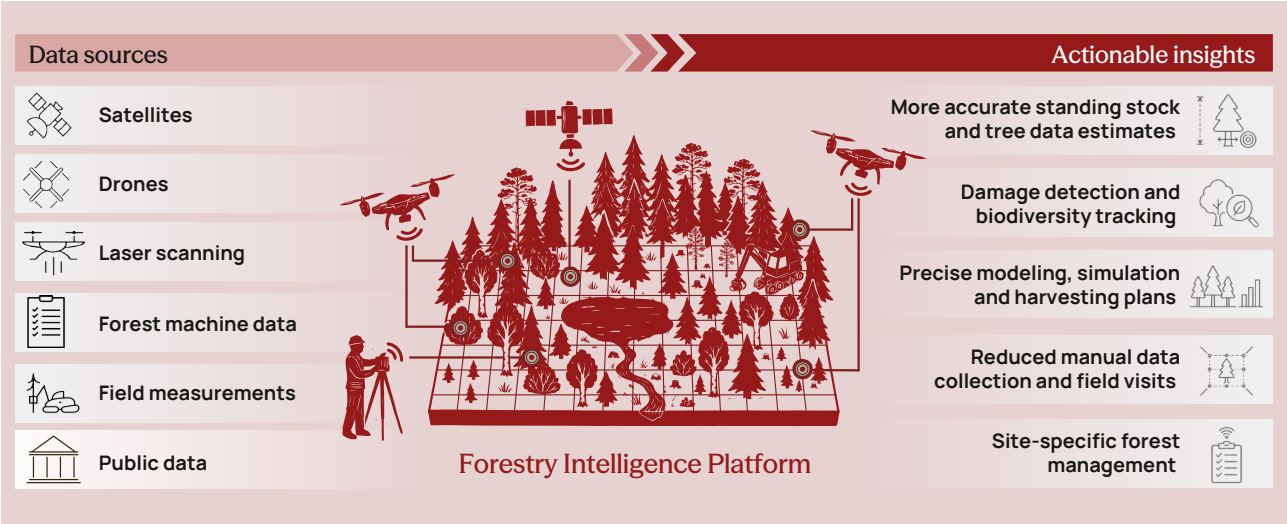
Bergslagets Skogar has established partnerships with Swedish research institutions and forestry innovation partners to extend its seedling development capabilities. These collaborations are expected to support continued improvement in seed selection, testing and propagation methods. One focus area is vegetative propagation of spruce, which involves producing planting material from selected high-performing trees. If successfully scaled, this could accelerate the deployment of improved spruce material across suitable sites, shorten the time between the identification of well-performing trees and operational planting, and strengthen the Company's ability to match seedlings to site conditions. The purpose is to improve the quality, consistency and performance of the seedlings used in the Company's own forests and the seedlings sold externally.

1) Measured relative to non-bred seed material planted under comparable conditions. Growth potential of 30–35 percent reflects expected performance for the next-generation seed. Current (3rd-generation) growth potential is 20–25 percent.
2) Source: Skogforsk, Svenska Skogsplantor.

Forest intelligence

The Company's forest intelligence platform enables Bergslagets Skogar to apply its forestry expertise at the level of individual stands and trees across a large estate. The platform helps identify where growth is strongest, where intervention is needed, where harvesting can be executed efficiently and where biodiversity measures should be prioritized. This supports both operational efficiency and responsible stewardship by aiding the Company in targeting interventions, avoiding unnecessary disturbance and adapting harvest layouts or conservation measures to site-specific ecological values.

The platform integrates multiple data layers into a continuously updated model of the forest estate. A central input is the Company's own forest inventory data, built up through many years of forest management and continuously updated through day-to-day planning, field observations and operational activities across the estate. This proprietary information is supplemented by satellite scans, drone surveys, laser scanning (LiDAR), public datasets, weather and terrain data, and on-machine harvester telemetry. Together, these sources provide information on tree species, tree height, diameter, wood volume, early signs of damage from wind, drought or insects and biodiversity structures. In practice, the platform supports better treatment selection, more focused field work and stronger links between operational decisions and estate-level outcomes.



Source: Company information.

The platform supports the Company across the full forestry cycle because each application feeds into the next:

- **In planting**, site-level data supports the selection of species, seed origin and planting material suited to local conditions, improving establishment success and creating a stronger base for future growth.
- **In forest operations and health monitoring**, AI-updated forest data helps identify where silvicultural treatments are needed and where risks such as spruce bark beetle, windthrow or drought stress are emerging. Earlier detection allows the Company to intervene more precisely, protecting standing stock value while reducing field work.
- **In harvest operations**, the same data supports decisions on harvest timing, harvest area design, road planning, biodiversity conservation and alignment with downstream demand. This is where the link between forest knowledge and commercial execution becomes visible. Better information on stand maturity and access conditions can reduce forwarding distances, lower logistics costs, limit windthrow risk and support a more predictable supply of timber to nearby customers.
- **In long-term estate development**, more precise forest data helps the Company to identify previously unidentified production and nature values. For example, the platform may identify areas that support more productive forestry, require adapted management or are better suited to conservation. The platform also supports predictive modeling of standing volume and harvest scheduling, helping the Company to improve both the productive and ecological potential of its existing estate.

Two examples illustrate how the platform turns information into operational outcomes. Systematic mapping of productive land within previously non-productive zones has identified approximately 10,000 hectares of additional productive forest land within the Company's existing estate, expanding its productive land area without requiring land acquisition. Separately, satellite-based mapping of pre-commercial thinning needs has reduced the requirement for field visits and improved the selection of stands for early intervention. Deeper data improves the quality of the operational decisions, and better decisions improve the long-term productivity and efficiency of the estate.

Land optimization and maximizing the value of productive forest land

Land optimization is a long-term strategy aimed at improving the overall quality, productivity, environmental resilience and operational efficiency of the forest estate. The Company seeks to match each parcel with the use and ownership structure best suited to its productive, ecological and social characteristics. Forest intelligence and forestry expertise help the Company to identify land with strong growth potential, fragmented holdings where consolidation may improve operability, and forests with integrated natural values that should be retained and actively managed. These insights may be translated into selected acquisitions, divestments, swaps, conservation measures, road planning or other changes in land use and management over time.

- **Production and nature value optimization.** Improved forest data may reveal previously unidentified production or nature values. For example, an area may be suitable for more productive forestry, require adapted management to protect specific ecological features or be better suited to conservation. This enables the Company to make more precise land use and management decisions across the estate.
- **Selective acquisitions, consolidation and divestments.** The Company may acquire forest land with strong growth potential or land that improves geographic consolidation, access and operational efficiency, thereby supporting the productive quality and long-term value of the estate. The Company may divest parcels that are fragmented, difficult to manage efficiently or better suited to another ownership objective, allowing capital and management attention to be directed toward the long-term quality and coherence of the estate. Approximately 80 transactions involving productive forest land were undertaken during 2023–2025 as part of the active management of the landholding.

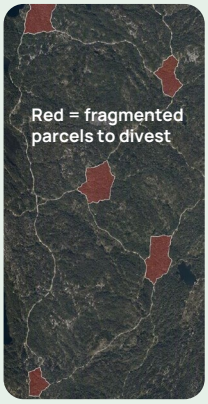
Land optimization activities are pursued selectively over many years and require the Company to balance economic, environmental and social considerations. Over time, geographically more consolidated land holdings can reduce travel and forwarding distances, improve road planning and contractor deployment, simplify silvicultural follow-up and strengthen long-term productive capacity. At the same time, retaining and actively managing forests with integrated natural values supports conservation, ecosystem resilience and sustainable forest management across the wider landscape.

Case study A:
Acquisition strengthening a core holding



✓
Contiguous
Operationally efficient
High productivity

Case study B:
Divestment of fragmented parcels



X
Fragmented
Costly to manage
Low productivity

Portfolio benefits

Higher return per hectare

Simpler operations
A more contiguous estate is easier to manage

Lower costs
Lower planning, harvesting and transport costs

The Company's forest road network, comprising approximately 40,000 kilometers of forest roads, is part of this optimization system. Roads determine whether biological value can be accessed efficiently when a stand is ready for thinning or regeneration felling. Well-planned roads reduce forwarding distances from harvest sites to roadside pick-up points, support year-round access and improve the reliability of contractor operations. As transport costs represent a meaningful share of delivered wood economics, road planning is not only an operational necessity but a direct link between forest planning, customer delivery and cost efficiency.

Beyond its productive forestry function, the Company's land holdings also include land with characteristics suitable for complementary land uses, including locations with strong wind resource and proximity to grid connections, sites suitable for solar developments, and land with hunting, fishing and recreational value. The commercial monetization of these multi-use opportunities is further described in the sections "*Description of Bergslagets Skogar – Renewable energy development and land leases*" and "*Description of Bergslagets Skogar – Land-use rights and selected land transactions*".

Operational biodiversity practices

Biodiversity management forms part of how Bergslagets Skogar classifies, plans and manages its forest estate. The Company's biodiversity work is designed to support improved ecological conditions over time through measures that can increase habitat availability and strengthen selected nature values. These efforts are supported by biodiversity modeling, six biodiversity indicators with targets, and a Biodiversity Action Program. Together, these tools are intended to provide a structured basis for prioritizing measures, monitoring development and supporting biodiversity related decision making.

The biodiversity modeling methodology is based on the Species Threat Abatement and Restoration ("**STAR**") metric[1], an acknowledged science-based methodology developed to support landscape-level scenario analysis and to assess how different management choices and biodiversity measures may affect habitat availability, habitat quality and ecological values over time. The model is intended to provide a science-based basis for comparing management scenarios and identifying areas where actions may be expected to generate biodiversity benefits, including modeled improvements in habitat conditions for selected red-listed species. The version of the methodology developed to fit the Company remains at an early stage of implementation and has not yet been embedded in day-to-day operational planning or decision making.

The six biodiversity indicators provide a consistent basis for target-setting, monitoring and operational follow-up:

1. **Share of broadleaved forests.** Supports species diversity, habitat variation and climate resilience.
2. **Volume of deadwood.** Measures habitat availability for species dependent on deadwood structures.
3. **Frequency of nature value trees.** Tracks ecologically important trees that provide habitats and continuity.
4. **Distribution of old forest across forest landscapes.** Supports habitat continuity and avoids concentration of old-forest values in isolated areas.
5. **Share of voluntary set-asides.** Shows how land is allocated to areas where ecological values are prioritized.
6. **Habitat preservation.** Tracks protection of sensitive areas, buffers and key biotopes in operational planning and execution.

Together, these indicators are designed to track whether selected conditions that support biodiversity are developing in the intended direction over time.

The Biodiversity Action Program translates the Company's biodiversity priorities into concrete measures and field-level follow-up. The program currently covers five focus areas: broadleaved trees, biodiversity-enhancing silviculture, deadwood, species and habitats, and water. Measures include planting of birch and other broadleaved trees, continuous-cover forestry methods, prescribed burning, management of habitats for selected species such as the white-backed woodpecker, wetland restoration planning, watercourse restoration and replacement of road culverts that create migration barriers. These measures are intended to support improved ecological conditions.

The forest estate and operating practices described above illustrate how Bergslagets Skogar seeks to manage the productive and ecological value of its land base. In biodiversity, this means applying a structured approach to biodiversity-related planning and follow-up, supported by modeling, indicators and targeted measures.

Business model

Bergslagets Skogar's business model is designed to preserve the long-term value of the forest while generating recurring cash flows with limited capital expenditure requirements. This monetization is governed by long-term harvest plans, certification requirements, biodiversity measures and responsible land stewardship, reflecting the Company's view that sustainable forest management enables, rather than limits, the long-term economic value of the asset.

The Company is positioned at the upstream end of the forestry value chain as a pure-play forest company (see the section "*Market overview – Value chain overview and market structure*" for a more detailed description of the forestry value chain). This positioning matters because the Company captures the economics of forest ownership, including biological growth, harvest income, land value development and selected adjacent land-based revenues, without taking on the capital intensity of downstream industrial processing. By concentrating its activities on forest ownership, forest management and the sale of harvesting rights, the Company retains exposure to the long-term value of the forest while maintaining a lean cost structure and limited exposure to downstream processing cycles.

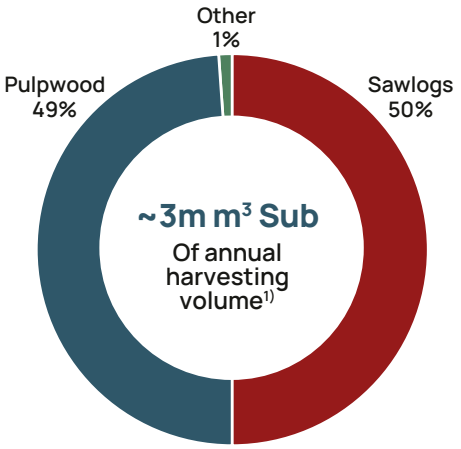
The Company's revenue streams are connected by the same underlying asset base. Core forestry operations monetize mature and merchantable stands through the sale of harvesting rights. External seedling sales monetize the Company's nursery, tree breeding and seedling development capabilities. Renewable energy leases, selected land optimization transactions and usufruct income monetize land uses that sit alongside forestry. Together, these activities convert the Company's land holding into complementary cash flow streams across the cycle without changing the core focus on long-term forest ownership.

1) The STAR metric is described in "Linking actions to outcomes for biodiversity in Nordic forestry", a scientific manuscript prepared for publication, which describes the application of the STAR metric to forestry decision-making by forest owners in the Nordics.

Forestry

The Company's core commercial activity is the sale of harvesting rights. Approximately 3 million m³sub of wood are harvested annually, split between sawlogs, pulpwood and a smaller volume of other assortments including fuelwood. These volumes represent the commercial point at which biological growth accumulated in the forest is converted into cash flow. Sawlogs typically command higher value because they are processed into sawn timber products used in construction and other wood-product applications, while pulpwood provides a complementary demand channel for smaller-diameter or lower-grade wood used in pulp, packaging, paper, tissue and other fiber-based applications. The role of sawlogs, pulpwood and other wood streams in the Swedish industrial roundwood market is described further in the section "*Market overview – Asset segmentation and relevant market categories*".

Breakdown of annual harvesting volumes (%)



Source: Company information.

Through the sale of harvesting rights, the Company sells the right to harvest specific stands of forest to industrial customers, with harvesting performed by customers or their contractors, rather than the Company harvesting and transporting timber itself. This model adds customer value by aligning harvesting, assortments and logistics with mill requirements and supply plans, within the parameters established for each stand. It is also central to the Company's capital-light positioning, limiting capital expenditure and fixed costs while allowing internal resources to focus on long-term forest value. The model also preserves operational flexibility by shifting a meaningful part of execution exposure to counterparties further down the value chain.

Harvest timing across the forest estate is governed by the Company's century-scale harvest plans, which align harvest decisions with the natural maturity of stands, prevailing market conditions, biodiversity considerations and the long-term sustainable yield of the forests. Historical standing stock development and the forward harvest plan described in the section "*Description of Bergslagets Skogar – Forest assets and operations*" illustrate how the Company converts a portion of annual biological growth into cash flow while maintaining the long-term productive capacity of the estate. Within the boundaries set by sustainable forestry, certification requirements and regulation, the Company can calibrate harvest timing to balance near-term cash generation with continued biological growth in standing timber.



1) Average harvesting volume 2010–2025.

Customers and sales channels

Bergslagets Skogar sells harvesting rights to industrial customers in the Swedish saw and pulp mill industry. The Company's customer proposition is based on stable local volume, certified supply at scale, advanced forest intelligence and the ability to help customers capture the full value of each harvest site across sawlog, pulpwood and other assortments. The Company's commercial platform is underpinned by the long-term WSA with Stora Enso, providing a highly visible earnings foundation from the outset as an independent company.

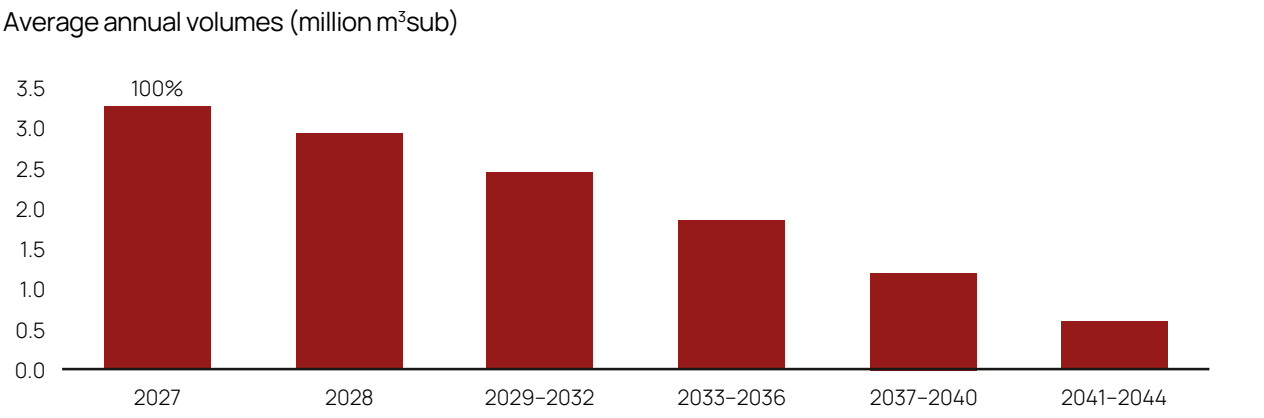
The WSA, which has a term of 18 years following the Demerger, combines arm's length, market-based commercial terms with agreed volume commitments. Under the agreement, Stora Enso is committed to purchase certain volumes or otherwise compensate the Company for any shortfall. The WSA will provide Bergslagets Skogar with long-term volume certainty, resilient cash flows and a high degree of earnings visibility from a strong multinational counterparty. It will also support efficient long-term harvest planning and operational continuity from day one as an independent company, creating a strong foundation for recurring cash generation and long-term value creation.

In the early years following the establishment of Bergslagets Skogar, the substantial majority of the Company's harvest volumes will be sold to Stora Enso under the WSA, with a smaller portion sold to other industrial customers. Over time, Bergslagets Skogar intends to complement the long-term stability and earnings visibility provided by the WSA by developing additional commercial opportunities for volumes available outside the agreement. The Company's independent upstream position and location within a structurally supply-constrained regional market provide a strong basis for progressively broadening its customer platform.

For volumes available outside the WSA, the Company's independent upstream position enables it to engage with a broader range of industrial customers and allocate volumes based on customer demand, assortment requirements, prevailing market conditions, logistics and the value characteristics of each harvest site. This provides an opportunity to broaden the customer base and improve value realization across sawlog, pulpwood and other assortments over time, while retaining the long-term stability and earnings visibility provided by the WSA.

For further information on the WSA with Stora Enso, see the section "*Material agreements for Bergslagets Skogar – The wood sales agreement with Stora Enso*".

Volume commitments under the WSA with Stora Enso



Clear benefits to Bergslagets Skogar

- Market-based pricing
- Orderly transition to diversification
- Counterparty assurance
- Increasing commercial flexibility

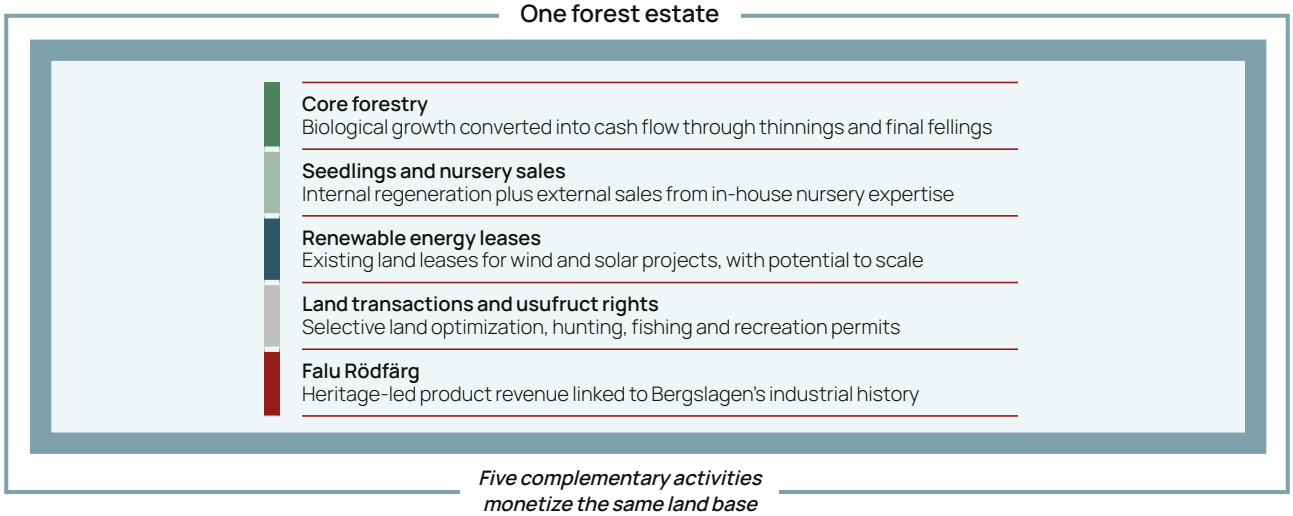
Source: Company information.

Beyond the WSA, the Company's natural customer base reflects the structure of the Swedish wood-consuming industry within Bergslagets Skogar's effective haul radius, including sawmills, pulp mills, packaging and paper producers, tissue and hygiene producers, and selected bioenergy users. Within the mid-Sweden catchment area, total wood demand from saw and pulp mills materially exceeds local harvesting, with the catchment representing one of the most concentrated industrial wood markets in Sweden. Total annual sawlog and pulpwood demand within the Company's effective catchment area amounts to approximately 55 million m³sub, substantially exceeding the Company's harvesting volumes. Based on 2025 harvesting volumes, sawmill wood demand within the Company's reach is approximately 17 times its sawlog harvesting volumes, while pulp mill wood demand is approximately 21 times its pulpwood harvesting volumes (see the section "*Market overview – Supply–demand dynamics*"). This regional demand base supports the Company's ability to place available volumes into the broader market over time.

The Company will market and sell harvesting rights through a range of commercial arrangements tailored to customer demand, assortment requirements and prevailing market conditions. Together with the WSA, these channels enable Bergslagets Skogar to combine long-term revenue visibility with access to incremental market opportunities. Sales activities are aligned with regional mill clusters within the Company's catchment area, supporting efficient logistics, reliable offtake and strong customer service.

Value beyond the trees

Alongside the sale of harvesting rights from its core forestry operations, the Company generates revenue from complementary activities arising from its nursery operations and broader land holding. These activities form land optimization channels that monetize capabilities and land characteristics already present within the estate, often with limited capital intensity and while preserving the long-term forestry use of the land. The Company evaluates these activities through the same stewardship lens as its forestry operations. This means that any use of the land must be compatible with long-term forest ownership, biodiversity commitments and local stakeholder considerations.



Five complementary activities monetize the same land base

Seedling production and external sales

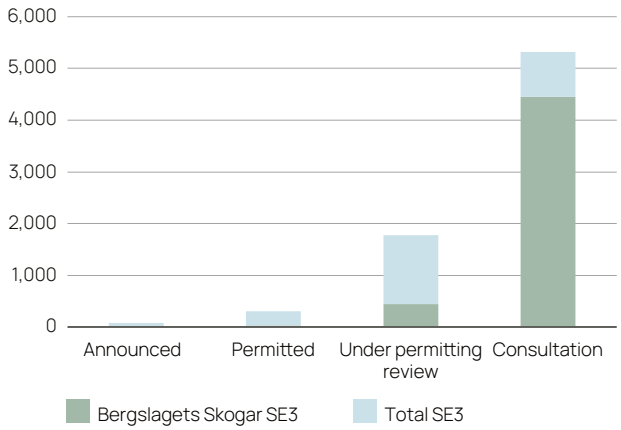
The Company's three nurseries produce approximately 50 million seedlings per annum. Approximately 40 percent of this output is planted in Bergslagets Skogar's own forests to support regeneration across its forest estate, while the remainder is sold externally primarily to forest companies and private forest owners, including through cooperatives and commercial nursery channels. These two uses create value for the Company in different ways. External seedling sales generate recurring revenue from the Company's nursery, tree breeding and seedling development capabilities. Separately, the use of improved seedlings within Bergslagets Skogar's own forests is expected to support higher future harvestable volumes, forest quality, resilience and standing stock value over the rotation. External sales are typically executed under annual or multi-year agreements, with pricing differentiated by, among other things, species and plant size.



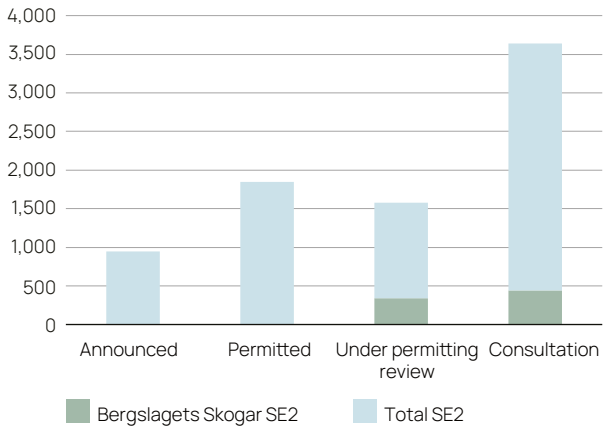
Renewable energy development and land leases

Renewable energy is a natural extension of Bergslagets Skogar's land ownership strategy and a source of long-term value creation. Today, wind farms located on Bergslagets Skogar's land generate approximately 1 TWh of electricity annually. The full potential is approximately 60–70 TWh annual electricity production. Given lengthy permitting processes and natural project attrition, the Company estimates that around 20 TWh represents a realistic long-term development potential. Currently the Company is developing a portfolio of 64 projects in various locations across its land area representing a full potential of 22 TWh (risk adjusted to 6.6 TWh) within the next ten years.

Swedish project portfolio in SE3 (MW)



Swedish project portfolio in SE2 (MW)



Source: Company information, based on statistics from Green Power Sweden for Q2 2026.

Unlike traditional renewable energy developers, Bergslagets Skogar's role is primarily that of a landowner and project developer. Bergslagets Skogar's business strategy is based on a flexible and adaptable business model, allowing the Company to pursue the most attractive commercial opportunity under the prevailing market conditions. Depending on the specific project and market situation, this may involve monetizing a project at different stages of the project development or at the Ready-to-Build[1] stage.This flexibility enables the Company to optimize development value while retaining long-term lease income from projects developed on the Company's land and managing its exposure to construction, financing and operational risks.

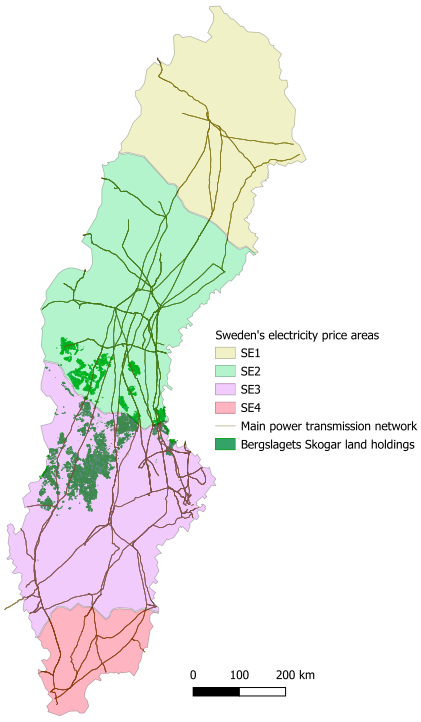


Source: Company information.

1) Ready-to-Build projects include site selection including assessments, environmental evaluation, design, permitting, and grid connection agreement.



Sweden's electricity price areas and main power transmission network



Source: Company information.

Bergslagets Skogar's position is further strengthened by large, contiguous landholdings in sparsely populated areas and a significant presence in Swedish electricity price area SE3[1], which benefits from a premium on electricity prices.

Together, these factors create a differentiated platform for renewable energy development with limited capital requirements and attractive risk-adjusted returns.

Carbon credit-related opportunities

Bergslagets Skogar continuously monitors developments in carbon credit markets and regulatory frameworks relating to carbon removals, but has not to date generated or sold any carbon credits and does not currently derive revenue from carbon markets. Recent regulatory developments, including the CRCF Regulation[2], are expected to contribute to greater standardization and transparency in the certification of carbon removals. Given the scale and characteristics of its forest estate, Bergslagets Skogar believes it is well positioned to evaluate future opportunities associated with carbon removals and other carbon-related initiatives should regulatory frameworks, certification methodologies and market demand continue to develop. Any participation in such markets would be assessed on a case-by-case basis and in the context of Bergslagets Skogar's broader land-use strategy and long-term value creation objectives, and would represent a new, currently unrealized revenue stream rather than an extension of an existing one.

1) The electricity bidding zone (Sw. *elområde*) Stockholm, one of four in Sweden, which encompasses south-central Sweden.
2) Regulation (EU) 2024/3012 of the European Parliament and of the Council of 27 November 2024 establishing a Union certification framework for permanent carbon removals, carbon farming and carbon storage in products.

Land-use rights and selected land transactions

The Company also generates income from land optimization activities and land-use rights. Land optimization is a long-term approach to improving the quality, productivity, environmental resilience and operational efficiency of the forest estate, while land-use rights monetize selected compatible uses of the land base while the Company retains ownership. Together, these activities support active management of the estate across its productive, ecological and social characteristics.

Selected land optimization activities may include acquiring forest land with strong growth potential, consolidating fragmented holdings, entering into land swaps or boundary adjustments, divesting parcels that have limited strategic relevance or are better suited to another ownership objective, allowing capital and management attention to be directed toward the long-term quality of the estate, as well as reclassifying land based on improved forest data. The Company also seeks to retain and actively manage forests with integrated natural values. Where appropriate, formal nature reserves or other conservation arrangements may secure long-term habitat protection and provide compensation that recognizes the societal value of conservation. These activities are pursued selectively over time and are intended to improve the overall quality and long-term value of the estate, including by releasing capital from non-core parcels and redeploying it into the forest estate or other attractive uses. The land optimization strategy is further described above in the section "*Description of Bergslagets Skogar – Land optimization and maximizing the value of productive forest land*".

In addition to these transaction-based optimization activities, the Company grants selected land-use rights across its holdings, including usufruct income from hunting, fishing and outdoor recreation permits. These arrangements generate recurring income from uses that can coexist with productive forestry, while maintaining Company ownership of the underlying land. Transactions and permits are governed by an internal framework designed to protect long-term asset value and uphold Bergslagets Skogar's biodiversity and stewardship commitments.

Falu Rödfärg and regional heritage

The Group includes Falu Rödfärg, the traditional Swedish red wood paint produced from pigment originating at the Falun copper mine. Falu Rödfärg is one of Sweden's most well-known heritage brands and rests on a long industrial history connected to Falun and the Bergslagen region. The product has been produced at industrial scale on the same site since 1764 and is closely associated with traditional Swedish wooden buildings, rural properties and cultural heritage environments. Approximately 60,000 houses are painted annually with Falu Rödfärg Original, and the business produces approximately 2.0–2.5 million liters of Falu Rödfärg Original per annum. Falu Rödfärg is distributed through more than 1,300 sales points across Sweden and has in recent years expanded its product portfolio. In the context of Bergslagets Skogar, Falu Rödfärg illustrates the Group's broader regional heritage and provides a distinct commercial activity linked to the same historical land and industrial identity as the forest estate.



Vision, mission, values and strategy

Vision

Unlocking the full potential of forests

Bergslagets Skogar's vision is to unlock the full potential of forests. The vision reflects the Company's view that intelligently managed forests can be an enduring source of economic, environmental and social value. For Bergslagets Skogar, this means applying advanced forestry knowledge, science, technology and operational practices to improve forest resilience, increase the value created by the land base and balance the evolving needs of customers, shareholders, local communities, ecosystems and society over time.

Mission

We grow and care for forests to create prosperity for generations

The Company's mission is to grow and care for forests to create prosperity for generations. This mission is deliberately long-term. It captures the Company's responsibility to cultivate forests and care for their complex biological, ecological and commercial needs, while generating sustainable returns. Prosperity is understood across three dimensions: economic prosperity through income, investment and value creation across the forest value chain; environmental prosperity through diverse, resilient and well-managed ecosystems; and social prosperity through employment, recreation, local engagement and broader societal value supported by responsible forest stewardship.

Values

Bergslagets Skogar's culture and operating practices are guided by three core values:

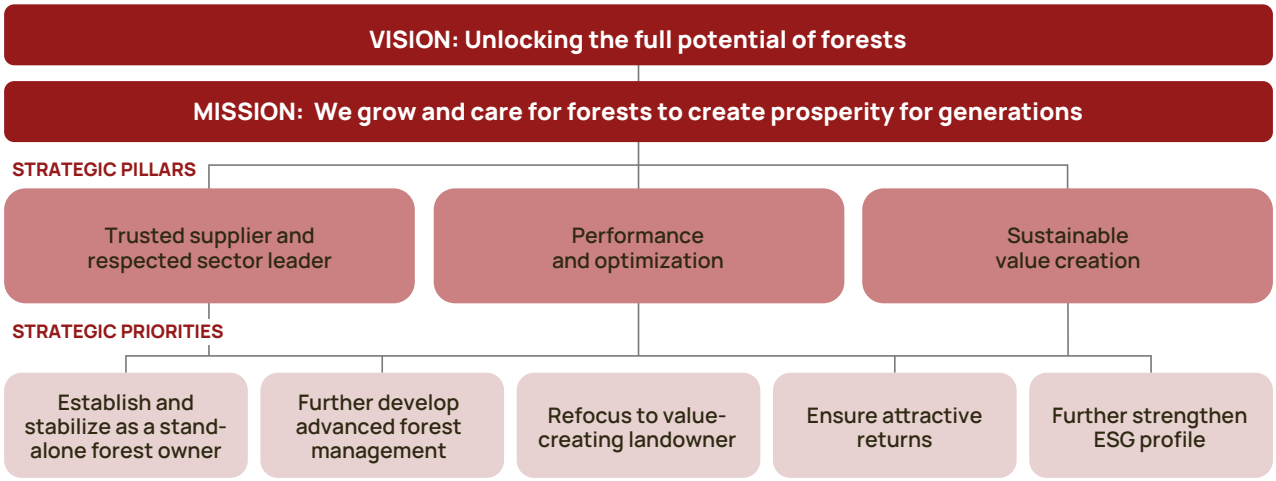
Trust – As a steward of one of society's most important assets, the Company keeps its promises and acts responsibly toward all stakeholders.

Curiosity – Driven by a deep care for forests, the Company continually seeks to learn, improve and innovate.

Aspiration – Inspired by its vision, the Company sets ambitious goals for its forests, its people and its business, and works to deliver on them.

Bergslagets Skogar's strategy is to manage its existing forest estate as a focused, value-creating forest owner. As an independent company, Bergslagets Skogar will have a dedicated focus on managing the forest and land holdings for long-term value creation, with strategic, commercial and capital allocation decisions centered on the performance of the forest estate and the interests of its shareholders. This focused ownership model enables the Company to build on its established forestry capabilities while improving forest productivity and resilience, applying forest intelligence and specialist forestry expertise, optimizing the land base, developing selected adjacent land-based activities and maintaining a disciplined approach to customers, sustainability and capital allocation. The core of the strategy remains forest ownership, advanced forest management and the sale of harvesting rights, with adjacent activities pursued selectively where they support recurring cash generation and the long-term value of the estate.

Strategy



The strategy is underpinned by forestry expertise and forest intelligence and focused on three connected value-creation priorities: growing more, creating more value per hectare and developing value beyond the trees. The following themes describe Bergslagets Skogar's strategic identity:

1. **Holistic forest value.** The Company takes a broad and progressive perspective on how forests can create value across generations, recognizing that forests can create value through timber, harvest rights, biodiversity, renewable energy, recreation, ecosystem services and other land-based opportunities.
2. **Intelligent stewardship.** The Company combines deep forestry expertise with cutting-edge research, forest intelligence and the latest technologies to improve how forest and land decisions are made.
3. **Built to adapt.** The Company actively explores and develops the forest's long-term potential as society's needs evolve, by responding to changing market demand, climate conditions, regulation and stakeholder expectations while remaining focused on the long-term value of its existing asset base.
4. **Living with the forest.** The Company is deeply passionate about, and closely connected to, the forest through its people, heritage and understanding of the land, supporting practical decision-making and long-term trust with stakeholders.

The strategy is built on three mutually reinforcing pillars:

1. **Trusted supplier and respected sector leader.** The Company aims to build stakeholder trust through transparent operations, reliable delivery to customers, constructive sector engagement and consistent communication with investors. This pillar is particularly important as Bergslagets Skogar transitions from being part of an integrated industrial group to operating as a stand-alone commercial counterparty with its own customer relationships, market presence and public profile.
2. **Performance and optimization.** The Company aims to improve forest productivity, optimize harvesting schedules and maintain disciplined capital allocation for strong long-term returns. This pillar links directly to the Company's operating model: better forest data, better silvicultural choices, better harvest timing and more efficient land configuration should together support higher asset quality, lower operating complexity and recurring cash flow generation over time.
3. **Sustainable value creation.** The Company aims to balance economic, environmental and social outcomes across its operations by using AI, forest intelligence, biodiversity science and climate-adapted forestry practices. The practical objective is to ensure that forestry decisions support productive growth and cash flow generation while also strengthening forest resilience, biodiversity outcomes and the Company's license to operate in a Swedish forestry environment where stakeholder trust and sustainability performance are increasingly important.

These pillars translate into five strategic priorities:

1. **Establish and stabilize as a stand-alone forest owner.** The Company intends to build market trust, strengthen customer focus and demonstrate reliable delivery as it transitions into an independent commercial counterparty.
2. **Further develop advanced forest management capabilities.** The Company aims to further develop digital forestry tools, seedling development and biodiversity integration in strategic forestry planning.
3. **Refocus toward a value-creating landowner model.** The Company intends to move from a legacy internal wood-supply role toward a broader forest and land asset management model, supported by stronger commercial capabilities.
4. **Ensure attractive returns over the short and long term.** The Company seeks to increase forest growth, improve operational efficiency, develop selected adjacent businesses and maintain discipline around price, customers and capital allocation.
5. **Further strengthen the ESG profile.** The Company intends to strengthen climate adaptation and mitigation and biodiversity measures in line with the Company's biodiversity and climate ambitions described in the section "*Description of Bergslagets Skogar – Sustainability and ESG*", together with stakeholder commitments and participation in relevant forestry policy forums.

In practical terms, the strategy is focused on making the current forest estate more productive, resilient and commercially valuable over time. Stand-alone status gives Bergslagets Skogar greater focus and accountability in executing this strategy, with the ability to prioritize high-quality regeneration, forest intelligence, operational efficiency, land optimization and selected adjacent activities according to their contribution to the forest estate as a whole. Together with a sustainability framework that supports long-term trust and license to operate, these levers are intended to strengthen recurring cash generation, increase the long-term value of the forest and land base and support attractive returns to shareholders.

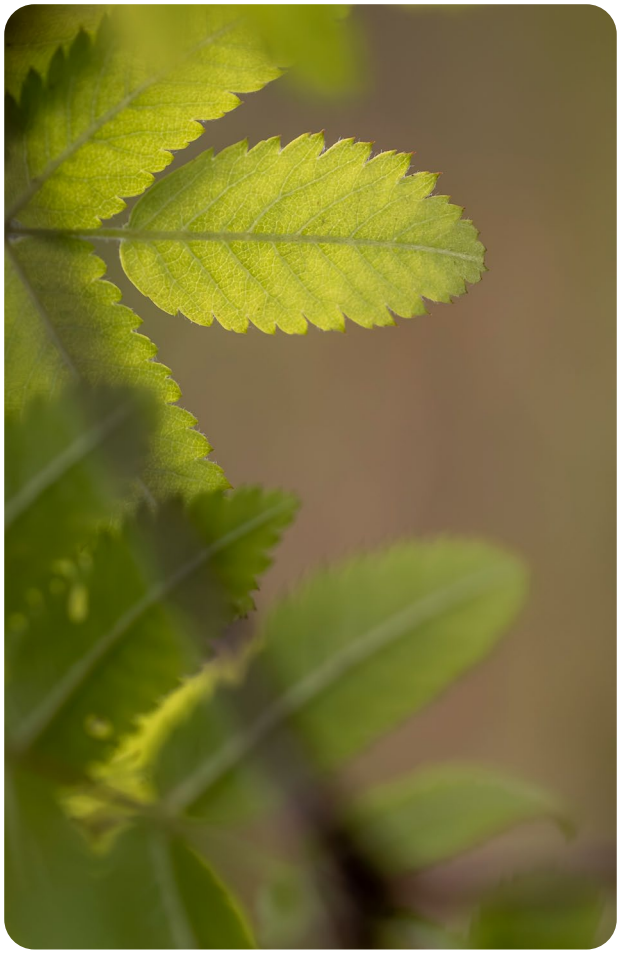


Sustainability and ESG

Sustainability framework and governance

Sustainability is integral to Bergslagets Skogar's business and is embedded across the Company's operations, governance and long-term strategy. The Company's approach is based on the view that productive forestry and forest resilience are not opposing objectives. Rather, the Company believes that active forestry, when carried out with discipline, data and responsible stewardship, can support economic strength, biodiversity, climate resilience and long-term forest health at the same time. This approach reflects the multi-decade nature of the forest estate, the Company's role as a steward of its land base, and the structural relationship between responsible forest management and long-term value creation. Forests that are well managed for biodiversity, climate resilience and certification compliance are also forests that grow well, harvest predictably, and retain value across rotations.

The Company's sustainability strategy is anchored in two focus areas: biodiversity and climate. These focus areas reflect the practical realities of managing a large forest estate over multi-decade rotation periods. The intention with its biodiversity work is improved habitats alongside wood production, which supports forest health and productivity as well as certification and regulatory compliance, and also contributes to landscape conservation objectives. The objective of the Company's climate work is to increase carbon storage and move towards fossil-free operations, thereby strengthening its climate contribution and future revenue potential, improving its energy independence and supporting the replacement of fossil-based materials. The focus areas are supported by the Company's operational forestry practices and by its forest intelligence platform, which enables systematic monitoring and reporting of biodiversity and forest health indicators across the forest estate at scale (see the section "*Description of Bergslagets Skogar – Forest intelligence*").



Sustainability governance is exercised at the level of the Board of Directors, with operational implementation across Bergslagets Skogar's forestry, planning, sustainability and central functions. The purpose of this governance structure is to ensure that sustainability considerations are embedded in operational decisions rather than treated as separate reporting matters. In practice, this means connecting strategic targets and policies to forestry planning, certification compliance, biodiversity measures, climate adaptation, contractor management, stakeholder engagement and internal follow-up.

Climate

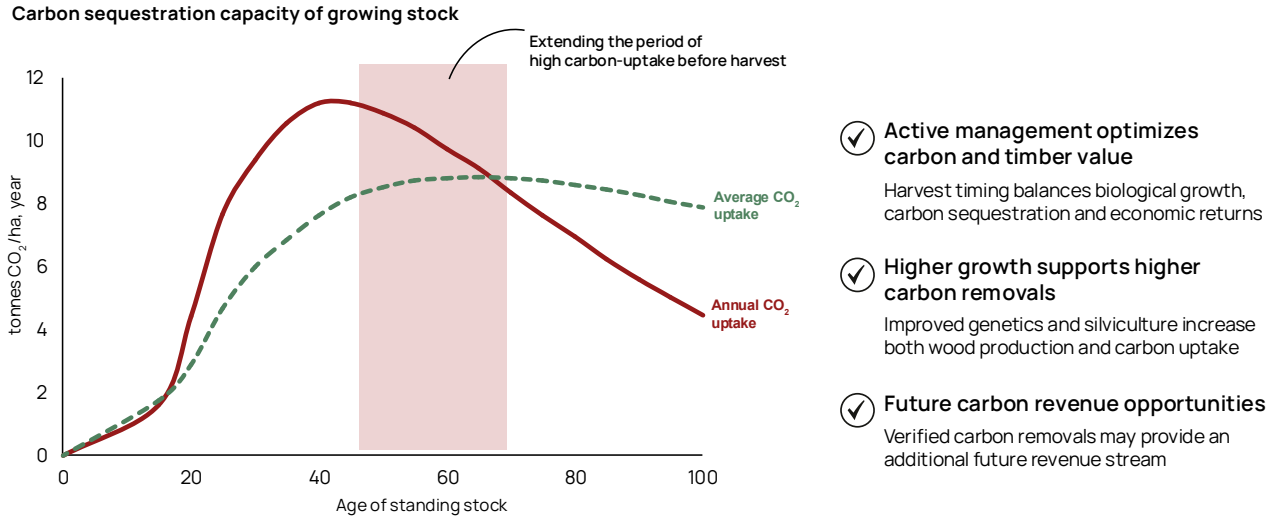
Forests are a central element of the climate transition because they contribute in several ways simultaneously. They sequester carbon as they grow, store carbon in long-lived wood products, and provide renewable raw material that can substitute for materials with higher carbon footprints in construction, packaging and other end-markets. Bergslagets Skogar's forests contribute to all three effects through standing forests absorbing atmospheric carbon dioxide, harvested wood storing carbon in downstream wood products, and a steady supply of renewable timber to industries seeking to decarbonize. The benefit is therefore not limited to the forest boundary as climate value is created both in the forest and through the downstream use of wood-based materials.

The Company's forest management approach is designed to support this contribution over the long term. The disciplined silviculture cycle sustains continuous biological growth, with the Company growing more wood volume than it harvests in aggregate over time. This means that the forest estate acts as a net carbon sink, with the forests binding approximately 1.5 million tonnes of CO_2 equivalents per annum in living stem wood biomass.[1)]

1) The calculation is based on the net carbon sink for the Swedish forest reported in Stora Enso's Sustainability Statement for the year 2025, applying a conversion factor of 0.73 between m^3fo and tonnes of CO_2 equivalents in living stem biomass. The figure is therefore derived from an industry-level conversion factor rather than an independently verified, Company-specific measurement.

Active regeneration and silviculture maintain a broad distribution of growing forests across different stages of the forestry cycle. Younger and actively growing stands generally absorb carbon dioxide more rapidly, while older forests retain substantial accumulated carbon stocks. Together, this supports continued carbon uptake while preserving the long-term carbon stored across the estate. The Company's seedling development program supports the use of productive and resilient planting material adapted to local growing conditions, while forest intelligence and site-level planning help match species and management measures to local conditions. Climate adaptation is therefore part of the operating model: decisions on species selection, thinning, road planning and harvest design are increasingly informed by resilience considerations, including exposure to pests, drought, fire and storm damage. This supports the Company's ability to maintain productive forests and predictable harvest capacity under changing climate conditions. The Company's ambition is that the climate benefit shall increase by (i) increasing the forests' carbon stock, stored in living tree biomass, measured against a reference year of 2026, (ii) increasing the displacement potential of delivered wood, estimated as avoided fossil CO_2 emissions from delivered wood, for example through a higher timber share, measured against a reference year of 2026, and (iii) reducing the Company's fossil CO_2 emissions (Scope 1 and 2).

Growing and harvesting forests to enhance climate benefits



Source: Company information, SLU.

The Company is positioned within the EU's broader climate framework for forestry, which includes the LULUCF Regulation[1], the EU Taxonomy classification of sustainable economic activities, and the CRCF Regulation. The structure and current state of these frameworks are described in the section "*Market overview – Competitive landscape and regulatory environment*".

Biodiversity and conservation

Biodiversity is a strategic priority for Bergslagets Skogar because resilient ecosystems support the long-term health and productivity of the forest estate. The Company's ambition is that the biodiversity benefit shall increase (see the section "*Description of Bergslagets Skogar – Strategic and financial targets and dividend policy*"). The Company's work with biodiversity includes integrating biodiversity into planning and operational decisions, using targeted plans to strengthen priority habitats and ecosystems, and tracking delivery and modeling short- and long-term outcomes. The above ambition is guided by the Company's biodiversity scenario modeling and executed and tracked through the Biodiversity Action Program described below, which was launched in 2022 with targets set to 2030. Beyond its ecological purpose, the ambition is expected to support long-term forest productivity, forest resilience and the Company's license to operate.

Progress will be monitored using the Modeled Biodiversity Improvement metric, which links forest management scenarios to modeled biodiversity outcomes, expressed as habitat conditions for selected red-listed species in the Company's forests. The measurement is based on the STAR metric, an acknowledged science-based methodology that links forest management scenarios to species' potential to thrive using IUCN Red List data, documented species threats and habitat availability data. The methodology, and its application to Nordic forestry decision-making, is described in a scientific article prepared for publication and referenced in the section "*Description of Bergslagets Skogar – Operational biodiversity practices*", where the operational biodiversity measures and indicators are further described.

1) Regulation (EU) 2018/841 of the European Parliament and of the Council of 30 May 2018 on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry in the 2030 climate and energy framework.

Case study: long-term restoration for the white-backed woodpecker

The white-backed woodpecker program demonstrates the long-term and active nature of the Company's biodiversity stewardship. Initiated more than 30 years ago, the landscape-scale conservation commitment has been maintained across several ownership changes and now covers approximately 6,000 hectares of set-asides under conservation agreements extending to 2062. The program goes beyond passive protection as the Company inventories habitat quality and actively restores deciduous-rich forests by reducing spruce, increasing broadleaved trees and maintaining deadwood. The white-backed woodpecker is an umbrella species, meaning that improving its habitat also supports approximately 200 other threatened or red-listed species. In 2024, 14 successful breeding pairs were recorded in Sweden, the best result in 30 years, illustrating the tangible progress of the program.



Certification

As at 30 September 2026, 100 percent of the Company's total forest land was certified under FSC and PEFC. Certification provides independent assurance of the Company's forest management practices against internationally recognized standards covering environmental, social and economic dimensions of responsible forestry. It also has a direct commercial relevance. Many industrial customers in packaging, tissue, consumer goods and wood-based products require certified inputs in order to meet their own traceability and sustainability commitments. Dual certification therefore supports both operating discipline and customer access, giving Bergslagets Skogar broad commercial flexibility across customer segments.

The certification framework in Sweden is currently subject to ongoing standard revisions, particularly within FSC, where the Swedish national standard is under review with potential implications for set-aside requirements, high conservation value identification and operational biodiversity practices. The Company monitors the revision process and contributes to industry consultations as appropriate. This is important because changes in certification requirements can affect both operational flexibility and market access, reinforcing the need for scale, planning capability and strong sustainability governance.

Stakeholders and community

Bergslagets Skogar's forestry operations are conducted across a large geographic area in mid-Sweden, supporting employment, economic activity and outdoor recreation in the regions where the Company operates. As a long-term landowner with many neighbors, the Company has a lasting responsibility to the places where it operates and to the communities, contractors and public authorities with which it interacts. The Company's relationships with adjacent landowners, local communities, contractors and public authorities are governed by a combination of statutory consultation requirements, certification obligations and the Company's own operating practices. The Company seeks to contribute to informed and practical dialogue on forestry, biodiversity, climate and land use, particularly in areas where expectations are high and trade-offs are real.

Hunting, fishing and outdoor recreation rights granted across the Company's land holdings represent a long-standing element of its relationship with local communities, reindeer herding Sami villages and recreational users. These rights also illustrate the Company's broader view of forest value. The land base is not only a source of industrial raw material, but also a place for local traditions, community, commercial and non-commercial activities and recreation. When managed appropriately, these uses can generate modest recurring income while strengthening the Company's connection to the regions in which it operates.

Taken together, the sustainability and stakeholder framework supports the broader business narrative as the Company's ability to generate long-term cash flows is dependent upon its ability to maintain productive forests, recognized certification, biodiversity resilience, community trust and customer confidence.

Strengths and competitive advantages

Real, sustainable asset

Bergslagets Skogar is expected to offer shareholders direct, listed exposure at scale to a real, scarce asset class, with sustainability characteristics underpinned by the Company's FSC and PEFC certified forest estate (see the section "*Description of Bergslagets Skogar – Sustainability and ESG – Certification*"). Swedish forest assets combine three value drivers that reinforce each other over long time horizons: land value appreciation, biological growth in standing stock and recurring harvest income. For Bergslagets Skogar, these drivers are embedded in a large productive forest estate in mid-Sweden, managed under a model where the forest continues to grow while selected volumes are converted into cash flow through commercial thinning and regeneration

felling. This gives the Company exposure to both long-term biological compounding and recurring cash generation from the same underlying asset base.

Swedish forest assets have historically delivered attractive long-term returns through the combined contribution of land value appreciation, biological growth in standing stock and recurring harvest income.[1] These return drivers are supported by structural characteristics of the asset class, including the finite supply of productive forest land, continuous biological growth and diversified demand from construction, packaging, hygiene and other fiber-based end-markets. Forest returns have also historically shown low correlation with listed equities, bonds and real estate, while wood prices have demonstrated a positive relationship with inflation.[2] Bergslagets Skogar therefore offers exposure to an asset class combining long-term value appreciation, recurring cash generation, inflation-linked characteristics and diversification from traditional asset classes (see the section "*Market overview – Forests as an asset class and forest land asset economics*").

The sustainability characteristics of the asset class strengthen this investment profile. Wood harvested from responsibly managed forests stores carbon over its useful life and can substitute for more fossil-intensive materials, while the underlying fiber is renewable, recyclable and biodegradable. Bergslagets Skogar's certified forest estate therefore combines financial resilience with a clear role in the transition toward renewable fiber-based materials.

Europe's largest listed pure play

Bergslagets Skogar is expected to be Europe's largest listed pure-play forest owner[3], providing a rare combination of scale, independence and focus in the forestry market. The Company's upstream position differentiates it from vertically integrated forest groups that manage forest holdings partly to supply their own industrial operations. Bergslagets Skogar can instead focus on maximizing long-term forest and land value, with decisions guided by biological maturity, stand-level quality, sustainability requirements and external market demand rather than internal mill requirements. This gives the Company a broader latitude to develop value across timber, certified supply, biodiversity, renewable energy, recreation and other land-based opportunities, while maintaining a focused forest ownership model.

The Company's location reinforces this scale advantage. Its land holdings are concentrated in mid-Sweden, a region that combines attractive site productivity with proximity to one of the most concentrated industrial wood markets in Sweden. This matters commercially because biological growth can be realized into a regional market where sawmill and pulp mill demand materially exceeds local harvesting volumes, while shorter haul distances support reliable offtake and more efficient logistics. In combination, scale, location and upstream independence create a platform that is difficult to replicate and well aligned with structural demand for Swedish roundwood.

Best-in-class operations

Bergslagets Skogar's operations combine long-standing forestry expertise with technology-driven decision-making across a large forest estate. The Company's specialists make long-cycle decisions on regeneration, thinning, harvest design, biodiversity measures and land use, while the forest intelligence platform makes these decisions more granular by providing continuously updated stand-level and tree-level information. This capability improves operating decisions across the estate since better information supports better species selection, better timing of silvicultural interventions, more efficient road and harvest planning, earlier detection of forest health risks and more consistent application of biodiversity measures.

The Company's operational model is supported by Company-specific examples of how forestry expertise and data translate into value creation. Successive generations of selectively bred and field-tested seedlings have delivered progressively higher expected timber yields compared with local seed sources, supporting higher expected usable timber volume per hectare over time. In addition, the Company's forest intelligence platform has identified additional productive forest within areas previously classified as non-productive zones. Active land optimization, through selected acquisitions, divestments and reclassifications, further supports a higher-quality and more operable land base. Together, these initiatives help convert scale into productivity, cost efficiency and long-term resilience.

Sustainability and biodiversity are integrated into the same operating discipline. The Company applies FSC and PEFC certification standards, voluntary set-asides and operational biodiversity indicators across its forestry activities. This approach supports more than compliance as resilient ecosystems help protect long-term forest productivity, certification supports customer access, and measurable biodiversity practices strengthen stakeholder trust in the Company's ability to manage productive forestry responsibly.

Disciplined cash returns

Bergslagets Skogar's capital-light, upstream business model is designed to convert biological growth into cash flow while preserving financial flexibility and the long-term quality of the forest estate. Cash generation is supported by commercial thinning and regeneration felling across the forestry cycle, complemented by nursery sales, renewable energy land leases, selected land transactions and usufruct income. These cash flows depend on the continued health, productivity and certification of the forests, reinforcing the importance of responsible forest management as a core commercial discipline. Since the Company sells harvesting rights rather than owning and operating a large harvesting fleet or downstream processing assets, the model has limited capital expenditure requirements and a lower fixed-cost base than a more vertically integrated forest products business.

1) Source: The Market Study. Source: Lantmäteriet (1990-2003); Ludvig&Co (2004–2025); Swedish Forest Agency.
2) Source: The Market Study.
3) According to the Market Study, Bergslagets Skogar is expected to be the largest listed pure-play forest company in Europe (in terms of areals (hectares) and excluding integrated companies also handling wood processing).

As an independent company, Bergslagets Skogar is expected to have greater flexibility to determine how capital is allocated over time. Harvest timing can be calibrated within sustainable yield, certification and regulatory constraints, allowing management to balance current cash generation with continued biological growth. Land optimization and selected transactions can release or redirect value from parcels that are less central to long-term forestry productivity, while renewable leases and land-use rights can generate recurring income without requiring the Company to give up ownership of the land. These levers support a disciplined approach to capital allocation, including the ability to balance reinvestment in the forest estate, balance sheet prudence and potential shareholder distributions, including dividends or other forms of capital return subject to necessary corporate resolutions.

This financial flexibility is supported by the Company's operating capabilities. Long-cycle harvest decisions, land-use choices and capital allocation decisions all require disciplined judgment, because actions taken in one period can affect forest value for decades. Bergslagets Skogar's management and operational teams combine forestry expertise, commercial knowledge, forest intelligence and sustainability experience, providing the capability base needed to manage the estate for recurring cash flow, long-term asset value and prudent capital allocation.

Geared for value creation

Bergslagets Skogar's land holding supports value creation from every hectare beyond core harvesting through existing adjacent activities that already monetize parts of the land base, and future opportunities that may become more material as markets develop. The common theme is that these activities use capabilities, locations or rights already connected to the forest estate, while reinforcing the Company's core identity as a long-term forest owner.

The Company's current adjacent activities include external sales of high-yield seedlings from its nurseries, lease income from renewable energy projects, selected land optimization activities and land-use rights, including usufruct income from hunting and outdoor recreation permits, and Falu Rödfärg, the traditional Swedish red wood paint associated with the Bergslagen heritage. These activities provide the Company with additional cash flow streams and demonstrate that the land base can create value in more ways than timber alone. In addition, shifting the assortment mix to higher value sawlogs, enabled by forest intelligence, may create more value from the same volume (see the sections "*Market overview – Asset segmentation and relevant market categories*" and "*Market overview – Price formation overview and historical development*").

Future upside may arise from a broader development of renewable energy leases, as well as from exploring carbon-related opportunities and other ecosystem services as the relevant markets and regulatory frameworks mature. The Company is well positioned to evaluate such opportunities because it owns a large forest and land base, has long-term control of the asset, and is developing data-led capabilities to understand where different uses of the land can be combined with productive forestry. The Company intends to pursue such opportunities selectively and where they are consistent with the Company's disciplined approach to forest ownership, biodiversity considerations and the long-term productivity of the forest estate.

This creates an additional element of optionality within the business model. Adjacent activities monetize selected characteristics of the same land base while preserving long-term forest ownership and operational focus.



Organization and employees

The Company is headquartered in Falun, Sweden. Bergslagets Skogar's operations are delivered by a knowledge-dense organization that combines deep forest knowledge, local presence, commercial ambition and the required support functions. The operating model depends on several connected capability groups: approximately 60 forestry specialists who plan and supervise long-cycle forest management; approximately 60 nursery employees that support regeneration and seedling quality; approximately 60 operational planners who coordinate harvest and silviculture activities; approximately 30 employees within support functions covering finance, sustainability, people and culture, communications, IT and business control; approximately 20 employees within Falu Rödfärg; approximately seven (7) sustainability and biodiversity specialists; approximately six (6) forest data specialists who support forest intelligence and data-led forest planning; and approximately three (3) employees with commercial roles. The organization is intended to remain close to the practical realities of forest management, while giving employees clearer responsibility and visibility as the Company transitions into an independent business.

The Company's people-related strategy is anchored in long-term continuity, given the multi-decade nature of the forest estate and the value of accumulated operational knowledge across rotations. The combination of long-tenured forestry specialists, in-house nursery and tree breeding expertise, operational planning capability, forest intelligence and data analytics positions Bergslagets Skogar to execute its long-term forestry model at scale. The Company's identity as a forest owner is therefore not only defined by the land it owns, but also by the people, systems and judgment required to manage that land responsibly through changing market, climate and stakeholder conditions.

As at 30 September 2026, the Company had 278 employees. In addition to its employees, Bergslagets Skogar engages third-party contractors performing forest management work on behalf of the Company.

The Company's relationships with its employees are governed by Swedish labor law and applicable collective bargaining agreements, with employee representation in line with applicable laws and regulations.

Strategic and financial targets and dividend policy

Bergslagets Skogar would aim to generate attractive long-term shareholder returns through sustainable forest management, recurring and stable cash generation, forest asset appreciation and disciplined capital allocation. As part of the preparations of the Demerger process, the Board of Directors of Stora Enso, in consultation with the selected management and proposed members of the Board of Directors of Bergslagets Skogar, has decided on the following strategic and financial targets for Bergslagets Skogar:

- The net standing stock volume shall grow by 1 percent per year on a rolling ten-year average.
- Over the long-term, generate an annual free cash flow return[1] of 2 percent.
- The biodiversity benefit shall increase.
- The climate benefit shall increase.
- The net loan-to-value ratio shall be between 0 to 20 percent.

In addition, the Board of Directors of Stora Enso, in consultation with the selected management and proposed members of the Board of Directors of Bergslagets Skogar, has decided on a dividend policy for Bergslagets Skogar with the aim to pay a stable and growing dividend. As ordinary dividend, Bergslagets Skogar intends to distribute between 80 to 100 percent of adjusted net income[2].

Bergslagets Skogar's strategic and financial targets set forth above constitute forward-looking information that is subject to considerable uncertainty. The strategic and financial targets are based upon a number of assumptions relating to, among other things, the development of the industry, Bergslagets Skogar's business, results of operations and financial condition. Bergslagets Skogar's business, results of operations and financial condition, and the development of the industry and macroeconomic environment in which Bergslagets Skogar operates, may differ materially from, and be more negative than, those assumed when preparing the strategic and financial targets set out above. As a result, Bergslagets Skogar's ability to reach these strategic and financial targets is subject to uncertainties and contingencies, some of which are beyond its control, and no assurances can be given that Bergslagets Skogar will be able to reach these targets or that Bergslagets Skogar's financial condition or results of operations will not be materially different from these strategic and financial targets. For more information, see the section "*Important information – Forward-looking statements and risk factors*".

Capital allocation framework

As a stand-alone company, Bergslagets Skogar will have full control over how and when capital is deployed. The Company intends to actively balance investments in forest productivity and resilience, growth opportunities, land acquisitions, divestments and other optimization measures, and potential dividends and share buybacks. The Company intends to allocate capital dynamically across these alternatives based on their relative return potential, strategic value and prevailing market conditions, while maintaining a prudent capital structure. Bergslagets Skogar believes that this flexibility will enable the Company to deliver attractive shareholder distributions where appropriate and allocate capital to opportunities that support recurring cash flow growth and the long-term value of its forest asset base.

1) Free cash flow return defined as free cash flow last twelve months divided by annual average forest assets fair value.
2) Adjusted net income defined as net profit or loss for the period, excluding change in net value of biological assets, profits and losses on sale of fixed assets and investments, excluding items affecting comparability, and less investments in reforestation of biological assets after tax.



Market overview

*The Information Brochure contains information from third parties in the form of sector and market information, including statistics, data and other information sources regarding markets, market size, market positions and other industry information related to Bergslagets Skogar's markets and operations. Such information is based on Stora Enso's assessment and estimates and on Stora Enso's analysis of multiple sources, including reports, publications and data compiled by external sources in the form of publicly available industry information and publications, industry reports and a report completed by Bain & Company (the "**Market Study**"). The Market Study was completed on 5 June 2026, updated on 30 September 2026, and was commissioned and paid for by Stora Enso. The third-party sources are, according to Stora Enso's opinion, reliable. However, the assumptions or market views presented in the third-party sources may have changed since their completion date. Views and assumptions regarding markets, market size and market positions expressed by Stora Enso have not been verified by a third party, which may have a different point of view. Stora Enso has not independently verified the accuracy or completeness of any third-party information and Stora Enso cannot therefore guarantee its accuracy or completeness. Market studies and analyses are frequently based on information and assumptions that may not be accurate or technically correct themselves, and their methodology is, by nature, forward-looking and speculative. The information presented in this section may include estimates on future market performance and other forward-looking statements. Estimates and forward-looking statements are no guarantee for future results and actual events and circumstances may differ significantly from current expectations. A variety of factors can cause or contribute to such discrepancies, refer, among other things, to the section "Risk factors".*

Introduction to the market of Bergslagets Skogar

Bergslagets Skogar operates within the Swedish forestry market, with the Swedish industrial roundwood market as its core relevant market. The Swedish forestry market is characterized by a fragmented ownership structure across large enterprise forest owners, pure-play forest land owners, forest owners' associations, and numerous private owners. The four largest owners across large enterprise forest owners and pure-play forest land owners, including Bergslagets Skogar following the Demerger, hold around 33 percent of forest land, while the three largest owners' associations represent roughly 25 percent through over 108,000 members. The remaining forest land is largely held by smaller, fragmented private and corporate owners.[1] Competition is also shaped by the level of downstream integration, ranging from pure-play forest owners to vertically integrated forest and industrial groups. Bergslagets Skogar will operate as a pure-play forestry company positioned at the upstream end of the forestry value chain, where harvesting activities are mainly outsourced through the sale of harvesting rights to industrial customers in the Swedish saw and pulp mill industry, while several competitors combine both forest ownership with processing activities such as sawmilling and pulp production (see the section "*Market overview – Competitive landscape and regulatory environment*").

Bergslagets Skogar's market

Bergslagets Skogar's core relevant market will be the Swedish industrial roundwood market, comprising industrial roundwood produced from productive forest land and supplied to downstream wood-processing industries. Industrial roundwood in Sweden consists primarily of sawlogs and pulpwood, which together account for the substantial majority of market volume, while fuelwood and other wood streams represent a smaller share. The market is principally defined by its role as the supply base for Swedish sawmills and pulp mills. Sawlogs are used primarily in wood products and construction-related applications, while pulpwood is used primarily in pulp, packaging, paper and hygiene-related applications.

From a geographic perspective, Sweden will constitute the core market for Bergslagets Skogar's forestry operations. Within Sweden, mid-Sweden is of particular importance to Bergslagets Skogar due to the location of its forest estate and the concentration of nearby industrial demand in that region. The broader serviceable market also reflects supply interactions with nearby markets, including Norway, as part of the regional trade flows that contribute to balancing Swedish roundwood supply and demand.

1) Source: Market Study, based on company and association's websites and annual reports, Swedish Forest Agency and Swedish Forest Industries.

In addition to its exposure to the core industrial roundwood market, Bergslagets Skogar will also be exposed to certain adjacent land monetization opportunities. Such opportunities include, among other things, renewable energy-related land leasing, land usage rights and certain emerging carbon-related opportunities.

Asset segmentation and relevant market categories

The Swedish industrial roundwood market is segmented principally by product category into sawlogs, pulpwood and, to a lesser extent, fuelwood and other wood streams. In 2025, sawlogs accounted for approximately 48 percent of Swedish net fellings, pulpwood for approximately 44 percent, and fuelwood and other streams for approximately 8 percent.[1)]

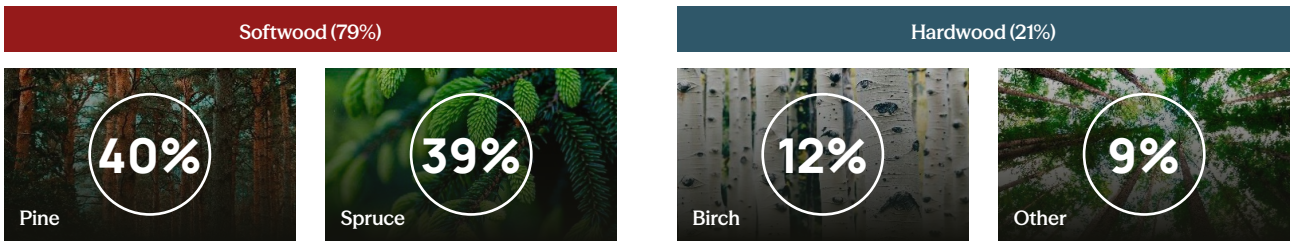
Sawlogs generally consist of larger-diameter, straighter and higher-quality stems from mature trees and are primarily used in sawn timber and other wood products intended for construction-related and higher-value end uses. Pulpwood generally consists of smaller-diameter or lower-grade wood that does not meet sawlog specifications and is primarily used in pulp, packaging, paper and hygiene-related applications. Fuelwood and other streams comprise lower-grade wood, residues and non-merchantable material directed to bioenergy and certain other niche applications.

Species mix

The Swedish forest resource is composed primarily of softwood, with pine and spruce constituting the predominant species, while birch and other hardwood species account for a smaller share. Swedish forest standing stock consists of approximately 40 percent pine, 39 percent spruce, 12 percent birch and 9 percent other species.

Share of standing stock per wood type, Sweden[2)]

Swedish forest composition overview



Geographic segmentation

From a geographic perspective, the Swedish industrial roundwood market can be segmented into North Sweden, mid-Sweden and South Sweden. These regional segments are relevant because local harvest levels, industrial demand, transportation economics and the location of processing capacity vary across Sweden. Mid-Sweden is of particular importance to Bergslagets Skogar in light of the location of its forest estate and the concentration of nearby sawmills and pulp mills in that region. The demand for sawlogs and pulpwood in mid-Sweden exceeds local harvest levels, such that the region relies on inter-regional flows and imports to balance supply and demand.

Customer segmentation

From a customer perspective, the Swedish industrial roundwood market is segmented principally by downstream industrial user, most notably sawmills and pulp mills. Swedish industrial roundwood demand is being supported by a broad and diversified mill base, with the sawmill segment being more fragmented and the pulp segment more concentrated. Sawmills are the principal customers for sawlogs and process logs into sawn timber and related wood products. Pulp mills are the principal customers for pulpwood and convert wood inputs into pulp for use in packaging, paper and related applications. In addition, certain smaller volumes of wood are directed to bioenergy and other industrial users depending on product quality and end-use requirements.

End-use segmentation

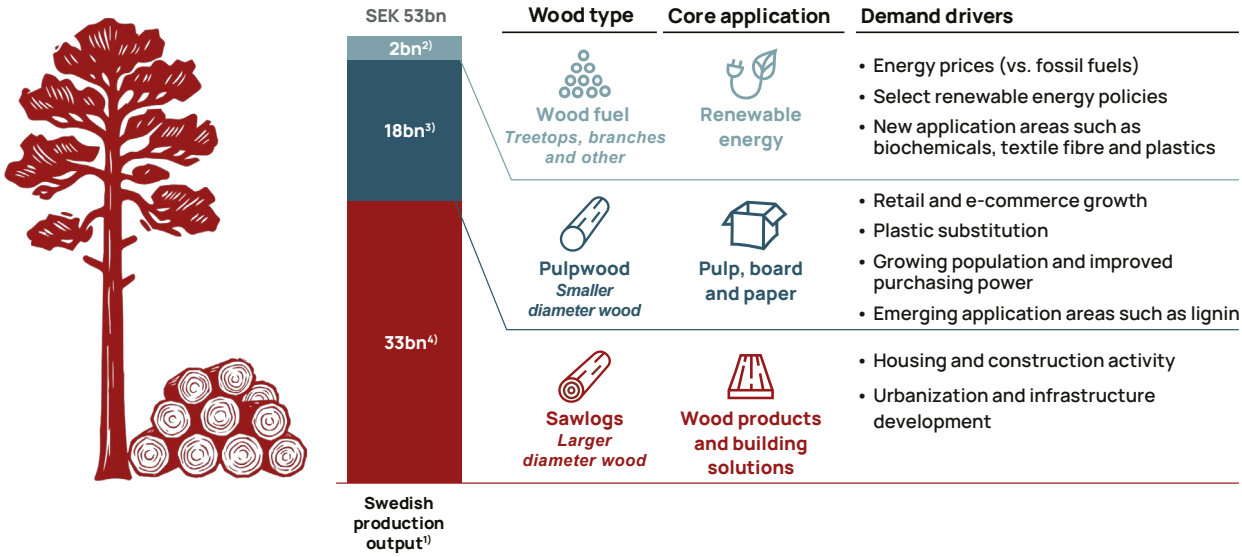
The Swedish industrial roundwood market may also be segmented by the downstream end use. Sawlogs are used primarily in construction, infrastructure, furniture and interiors, and other wood-product applications. Pulpwood is used primarily in paper products, packaging, tissue and hygiene products, and related fiber-based applications. Fuelwood and lower-grade wood streams are used primarily in power generation, residential and industrial heating, and certain other smaller applications.

1) Source: Market Study, based on Swedish Forest Agency. The percentages represent the share of net fellings in Sweden in 2025 (preliminary figure from the Swedish Forest Agency).
2) 2020–2024 average of m^3 sk. Other includes Aspen, Alder, Goat willow, Mountain ash, Oak, Beech, Norway maple, Dutch elm, European ash, Linden, Hornbeam and Wild cherry. Source: Market Study, based on Swedish National Forest Inventory (NFI), Swedish University of Agricultural Sciences, Lit search and company annual reports.

End-use segmentation can also be viewed through species mix, broadly reflecting the distinction between softwood and hardwood. Softwood species, pine and spruce, account for the majority of forest resources. Pine is a versatile wood for a variety of end-usage, such as both construction and packaging. Spruce is valued for its straight grain and strength-to-weight ratio, being slightly weaker than pine.

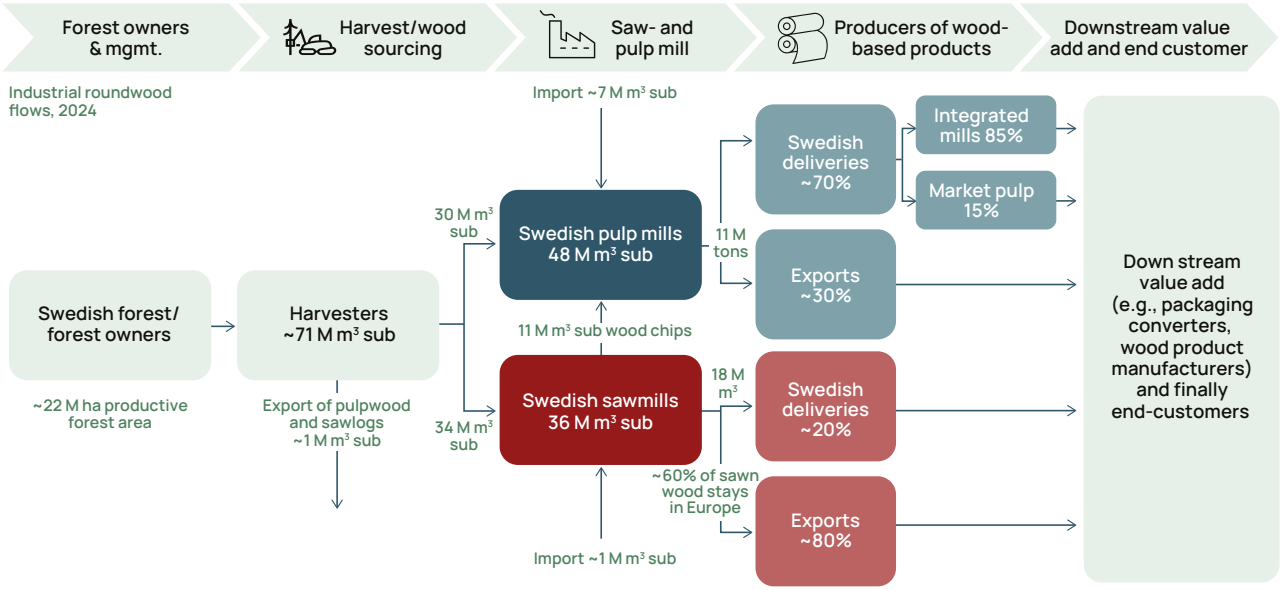
Hardwood species, including birch, are instead used more selectively in higher value-add applications. Birch's visual characteristics and stability make it a preferred material for plywood and furniture, while other hardwood species are typically used in high-end furniture, flooring and construction applications.

Wood types, applications and selected demand drivers[1]



1) Split based on latest available Swedish production output volumes (preliminary 2025) multiplied by Q2 2026 prices.
2) Wood fuel: 5.3 million m³ and 450 SEK/m³.
3) Pulpwood: 31.0 million m³ and 565 SEK/m³.
4) Sawlogs: 34.0 million m³ and 967 SEK/m³.

Swedish industrial roundwood flows, 2024[2]



1) Source: Market Study, based on Food and Agriculture Organization of the United Nations, Swedish Forest Agency.
2) Source: Market Study, based on sources from Biometria, Food and Agriculture Organization of the United Nations, Swedish Forest Industries and SCB.

Value chain overview and market structure

The value chain of the market in which Bergslagets Skogar operates is characterized by an integrated and locally anchored flow of industrial roundwood from forest ownership and management through processing and distribution to diversified end-markets. Forestry activities represent the initial and essential stage of this value chain, supplying raw material to downstream industrial operators.

Since Bergslagets Skogar is a pure-play forestry company, the Company is positioned at the upstream end of the forestry value chain. At the upstream end of the value chain, forest owners and managers are responsible for the long-term management of forest land, including silviculture, planning of harvesting activities and optimization of biological growth. These activities involve the management of forest land over extended rotation periods, as well as the execution or outsourcing of harvesting operations and the sale of harvesting rights.

Following harvesting, timber is processed into industrial roundwood categories, primarily consisting of sawlogs and pulpwood. The harvested timber is transported from forest sites to roadside collection points and subsequently delivered to industrial facilities, with logistics representing a key component of the value chain due to the high-bulk, low-value nature of roundwood.

The midstream segment of the value chain comprises industrial processing by sawmills and pulp mills. Sawmills process sawlogs into sawn timber products used primarily in construction, infrastructure, and wood-based manufacturing, while pulp mills convert pulpwood and processing residues into chemical and mechanical pulp. These pulp products are subsequently utilized either internally or sold to further downstream processors.

Downstream processing involves the conversion of pulp and sawn timber into finished or semi-finished products. Pulp is used in the manufacture of paper, packaging materials and tissue products, while sawn timber is further processed into construction materials, furniture and engineered wood products. These outputs are subsequently distributed through wholesale, trade and logistics channels to end-customers across multiple end-use segments.

The end-market segment of the value chain is diversified and includes construction, packaging, consumer goods, industrial applications and energy-related uses. Demand is underpinned by macroeconomic factors such as construction activity, e-commerce growth, and global demand for fiber-based and sustainable materials.

Bergslagets Skogar will be distinguished from several large forest-owning peers that are vertically integrated into sawmilling, pulp, paper, packaging and other industrial activities. By contrast, Bergslagets Skogar's business model will be focused on forest ownership and management and on capturing value from the productivity, growth and monetization potential of its land base. This positioning will provide Bergslagets Skogar with direct exposure to the economics of forest ownership, including roundwood pricing, biological growth, land value development and selected adjacent land-based revenue streams, rather than from downstream industrial conversion activities.

Bergslagets Skogar will operate in localized supply markets where mills are close to the forests. The high-bulk, low-value nature of roundwood makes transport costs a key constraint, limiting the economic viability of long-distance or complex logistics flows. As a result, supply chains tend to favor local and regional sourcing, with imports typically limited to nearby markets or specific situations rather than long-haul trade.[1)]

Bergslagets Skogar's position in the wider forestry value chain[2)]

Bergslagets Skogar's value chain position

Nurseries	Forest management	Harvest rights & usufructs	Harvest/ wood sourcing	Pulp mill	Packaging/ paper mill
• Cultivate **seedlings for internal** planting and **external sales** • Develop improved **seedlings** through **R&D**	• Oversee **silviculture and land stewardship** for long-term productivity	• **Plan** harvesting and **sell harvesting rights** • Generate **additional income** from real estate, usufructs, energy projects, etc.	• **Execute harvest operations** using own personnel or through outsourcing • **Wood procurement** from external forest owners	• Production of pulp for **in-house use or external sale**	**Companies:** ➤ Stora Enso ➤ Holmen ➤ SCA ➤ Metsä Tissue
Companies: ➤ SCA ➤ Sveaskog ➤ Holmen ➤ Sydplantor	**Companies:** ➤ SCA ➤ Sveaskog ➤ Holmen ➤ Kopparfors Skogar ➤ Tornator	**Companies:** ➤ Tornator ➤ Kopparfors Skogar ➤ Gysinge Skog	**Companies:** ➤ Stora Enso ➤ SCA ➤ Sveaskog ➤ Holmen ➤ Vida	**Companies:** ➤ Stora Enso ➤ Holmen ➤ SCA	**Tissue mill/hygiene prod.** **Companies:** ➤ Metsä Tissue ➤ Essity
				Sawmill and wood products **Sawing and refinement** of wood for different use cases	**Companies:** ➤ SCA ➤ Holmen ➤ Stora Enso ➤ Vida

1) Source: Market Study based on Forestry Research Institute of Sweden.
2) Source: Market Study.

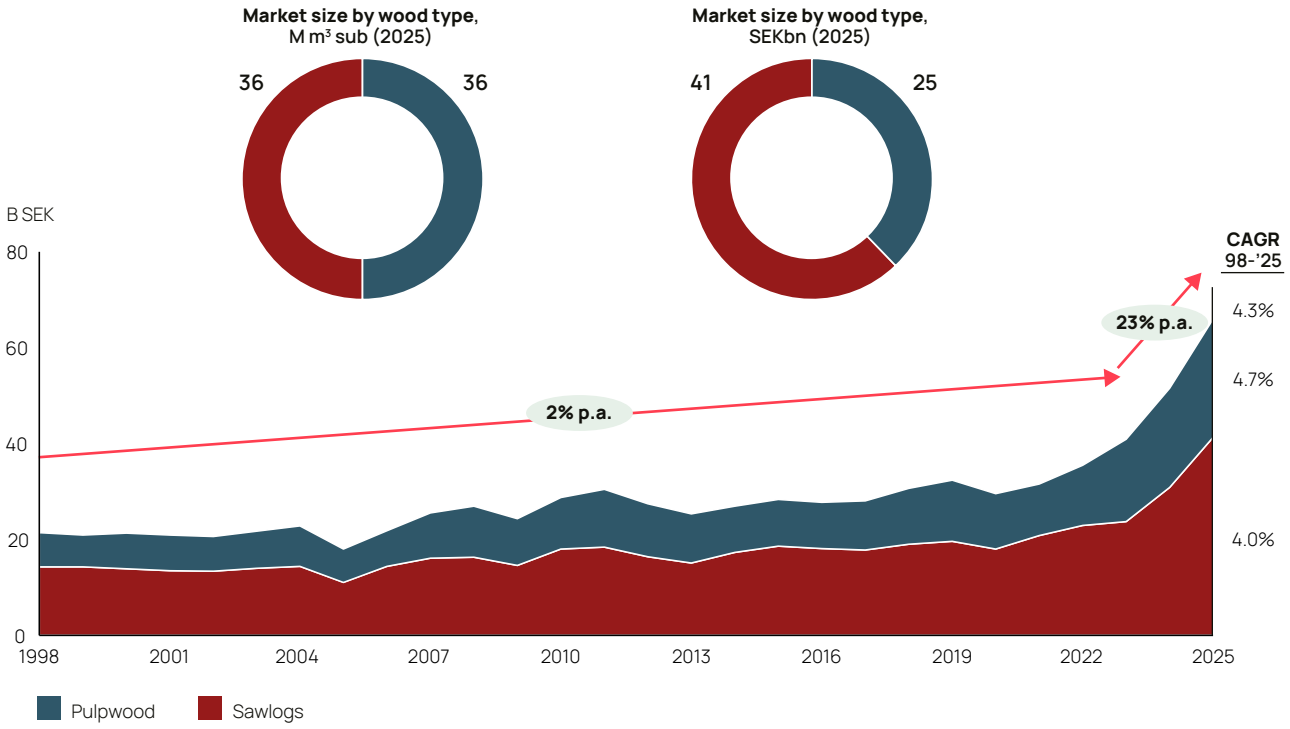
Historical and future market size and growth

Core market – Industrial roundwood

Bergslagets Skogar's core market will be the Swedish industrial roundwood market, comprising sawlogs and pulpwood. The total net industrial Swedish roundwood demand amounted to approximately 71 million m³ sub in 2025. Based on roadside delivery prices, this corresponds to an implied market value of approximately SEK 66 billion. In value terms, the market has grown at a CAGR of 2 percent historically (1998–2022), with more recent developments supported by price increases.[1)]

The recent increase in the implied market value of Swedish industrial roundwood has been primarily driven by higher roundwood prices rather than volume growth. Following sharp price increases after 2022, supported by tighter regional supply following reduced Russian imports to the Nordics, declining bark beetle-related harvests and higher energy and harvesting costs, prices have more recently started to normalize from elevated levels.[2)]

Industrial roundwood implied market size in Sweden (1998-2025)[1)]



Historical development

Industrial roundwood consumption for sawlogs and pulpwood in Sweden grew modestly at approximately 0.4 percent CAGR between 1998 and 2025, primarily driven by demand from pulp mills, while demand from sawmills has remained broadly stable.[3)] Domestically harvested industrial roundwood has increased over the past 30 years, reaching approximately 65 million m³ sub in 2025, supported by growth in gross biological growth and net increases in standing stock.[4)] This development has been underpinned by strong industrial demand, which amounted to approximately 71 million m³ sub in 2025.[3)]

Sweden has demonstrated a long-term trend of increasing industrial demand for roundwood, supported by growth in sawmill and pulp mill output, reflecting underlying demand from end-markets such as construction and packaging. Sweden has historically been one of the world's largest exporters of wood-based products, driven by strong international demand for high-quality wood products in end-markets such as construction and packaging.

1) Source: Market Study, based on Swedish Forest Agency, Biometria. Historical consumption figures based on Biometria data and pricing data based on Swedish Forest Agency. Implied market size based on sawlogs and pulpwood consumption (incl. imports), and domestic delivery timber prices. Market size is directional, as delivery timber prices are not fully representative of broader market pricing, given a share of timber is transacted as standing timber rather than delivered, and some roundwood is consumed by vertically integrated mills.
2) Source: Market Study.
3) Source: Market Study, based on data from Biometria.
4) Source: Market Study, based on data from Swedish Forest Agency (2025 preliminary data).

Market outlook

Underlying end-market demand for industrial roundwood remains robust, supporting continued demand for Swedish roundwood. Based on the Market Study (see the section "*Definitions*" for more information), the unconstrained demand growth over the period 2025–2035 is estimated at approximately 1.4 percent CAGR, corresponding to an increase of approximately 11 million m³ sub.[1] This growth is primarily driven by demand from construction and packaging end-markets. The European construction market is expected to support sawlog demand, with growth of approximately 2.2 percent CAGR over 2025–2035[2], while packaging markets are expected to underpin pulpwood demand in Nordic and global mills, growing at approximately 0.6 percent CAGR over the same period.[3]

Unconstrained sawlog demand, i.e., the level of demand that could be supported by the underlying end-markets without taking into account limitations in roundwood supply, is estimated to grow by approximately 2.2 percent per annum over 2025–2035, compared with approximately 0.1 percent per annum historically. Sawlog demand is expected to be supported by positive European and global construction market growth, partly offset by incremental sawmill yield improvements. Actual consumption growth is, however, expected to be constrained by limited supply availability, with future additional demand of approximately 13 million m³sk compared with approximately 5 million m³sk of additional supply potential. This level of supply potential is expected to be driven by higher Swedish harvest levels of approximately 3 million m³ sk and increased imports of approximately 2 million m³ sub, including from Norway.[4] Realized Swedish industrial roundwood consumption is therefore expected to be constrained by limited supply availability, corresponding to a growth rate CAGR of approximately 0.6 percent (2025–2035).[4] In mid-Sweden, where Bergslagets Skogar's forests are located, industrial roundwood demand has historically exceeded local harvest volumes, requiring inflows from other regions and nearby markets to balance supply and demand.[5]

Over the longer term, demand for industrial roundwood is expected to be supported by structural macroeconomic trends, including population growth, urbanization, and continued expansion of retail and e-commerce, which

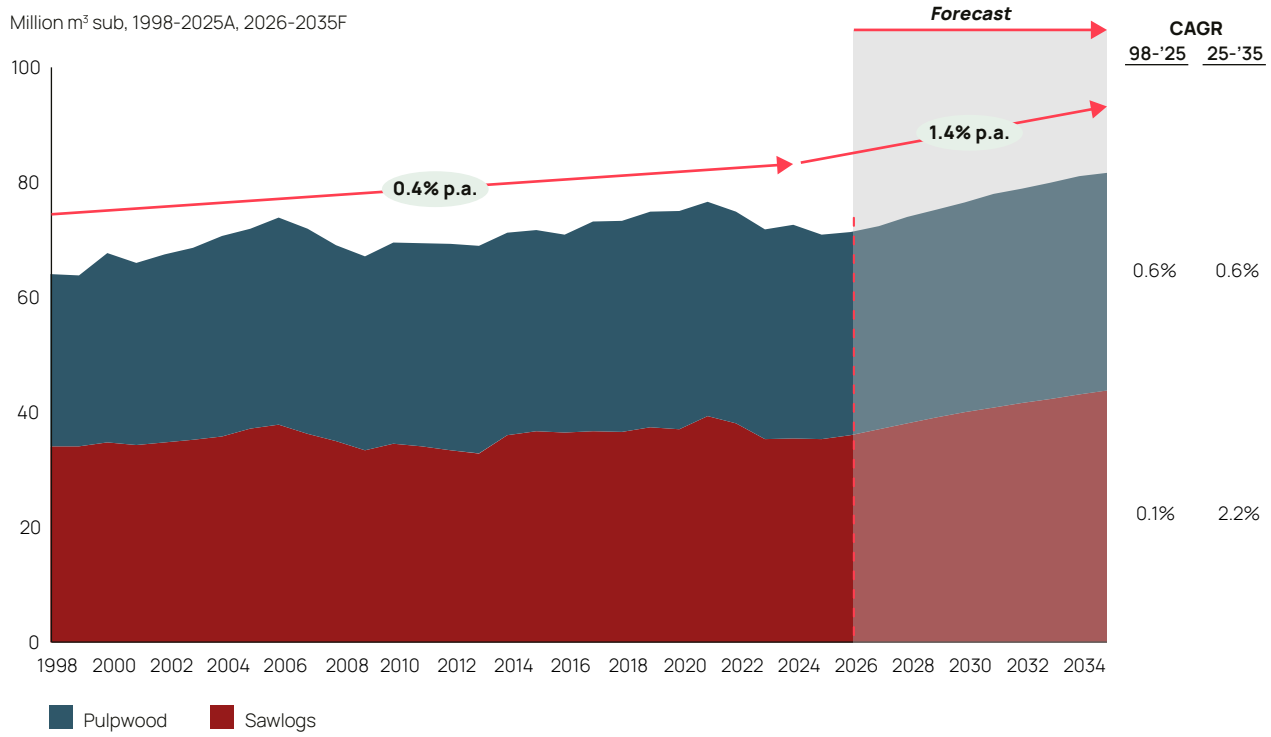


underpin construction and packaging end-markets. This is expected to translate into demand growth of approximately 0.5 percent CAGR up until year 2120, broadly aligned with expected real European Union GDP growth of approximately 1 percent per annum and historic mill-to-GDP elasticity. Long-term demand is further supported by structural themes such as resource scarcity, circularity, climate change, increasing environmental awareness, and a continued shift towards sustainable, fiber-based materials.[6]

The market is expected to remain structurally supply-constrained, with maximum harvestable volumes in Sweden projected to grow at approximately 0.3 percent CAGR over the period 2020–2110, in line with the Swedish Forest Agency's (Sw. *Skogsstyrelsen*) base case outlook, effectively limiting realized consumption growth over the long term. Supply-demand dynamics and related constraints are discussed further in the section "*Market overview – Supply-demand dynamics*".[7]

1) Source: Market Study, based on data from Biometria, RISI and S&P. Forecasted growth rates for industrial pulpwood demand based on Nordic and global pulp consumption growth and forecasted growth rates for industrial sawlog demand based on European and global construction growth.
2) Source: Market Study, based on data from S&P, HIS, European parliament and European Commission. Construction output data from S&P.
3) Source: Market Study, based on data from Biometria, RISI and S&P.
4) Source: Market Study, based on Swedish Forest Agency, SKA 22, Statistics Norway, National Forest Inventory (NFI), Norwegian Ministry of Climate and Environment, Food and Agriculture Organization (FAO) of the United Nations, SCB, Biometria, RISI. Swedish roundwood imports by country from SCB, total Swedish roundwood net imports from FAOSTAT. Norwegian supply specific data points from Statistics Norway and Norwegian Ministry of Climate and Environment. 2.1 million m³ sub corresponding to approximately 2.5 million m³ sk.
5) Source: Market Study.
6) Source: Market Study, based on sources from Biometria, RISI, S&P, World Bank Group, OECD, Food and Agriculture Organization of the United Nations. Short-term forecast (2025–2035) based on input drivers, longer-term forecast (2036–2125) based on GDP growth rate. Forecasted short-term growth rates for industrial pulpwood demand based on Nordic and global pulp consumption growth and forecasted short-term growth rates for industrial sawlog demand based on European and global construction growth.
7) Source: Market Study, based on Swedish Forest Agency scenario modeling – SKA 22, scenarios 'Business as usual' and 'Potential harvest'. Forecasts based on 2020 felling levels.

Unconstrained industrial demand development of sawlogs and pulpwood in Sweden (1998A–2035F)[1]



Selected demand drivers for industrial roundwood[2]

	Selected demand drivers	CAGR (million m³ sub) 1998–25	CAGR (million m³ sub) 2025–35
Sawlogs	◆ Swedish industrial roundwood supply is primarily sourced from domestic harvests ◆ Demand for industrial roundwood generally exceeds local harvest volumes, requiring imports from nearby markets to bridge the gap ◆ Imports account for approximately 11 percent of total industrial roundwood supply (2024 data) ◆ Strong sawn wood exports from Sweden ◆ Demand linked primarily to construction, including residential building, renovation, infrastructure and engineered wood products ◆ Long-term support from European construction demand and increased use of wood as a building material	0.1%	2.2%
Pulpwood	◆ Demand supported by pulp, packaging, paperboard, tissue and hygiene applications ◆ Strong pulp exports from Sweden ◆ Graphic paper declines partly offset by growth in packaging-related end-markets ◆ Structural support from e-commerce growth and plastic substitution ◆ Pulp market is global, with high global demand for Nordic softwood pulp (high strength and durability when compared to softwood from warm climates)	0.6%	0.6%

1) Source: Market Study, with historical data based on Biometria, RISI and S&P. Forecasted growth rates for industrial pulpwood demand based on Nordic and global pulp consumption growth and forecasted growth rates for industrial sawlog demand based on European and global construction growth.
2) Source: Market Study, based on Swedish Forest Agency, RISI, S&P and Food and Agriculture Organization of the United Nations. Import data based on data from Biometria and Food and Agriculture Organization of the United Nations. Historical growth data based on Biometria.

Industrial roundwood supply in Sweden

Total industrial roundwood supply in Sweden has increased steadily over time, with a CAGR of 1.0 percent over the period 1980–2024 and 0.6 percent over 1998–2024.[1] This development reflects the long-term growth in demand from sawmills and pulp mills. Total industrial roundwood supply in Sweden comprises domestic harvest volumes and net imports.

Swedish harvest volumes supported by biological growth development

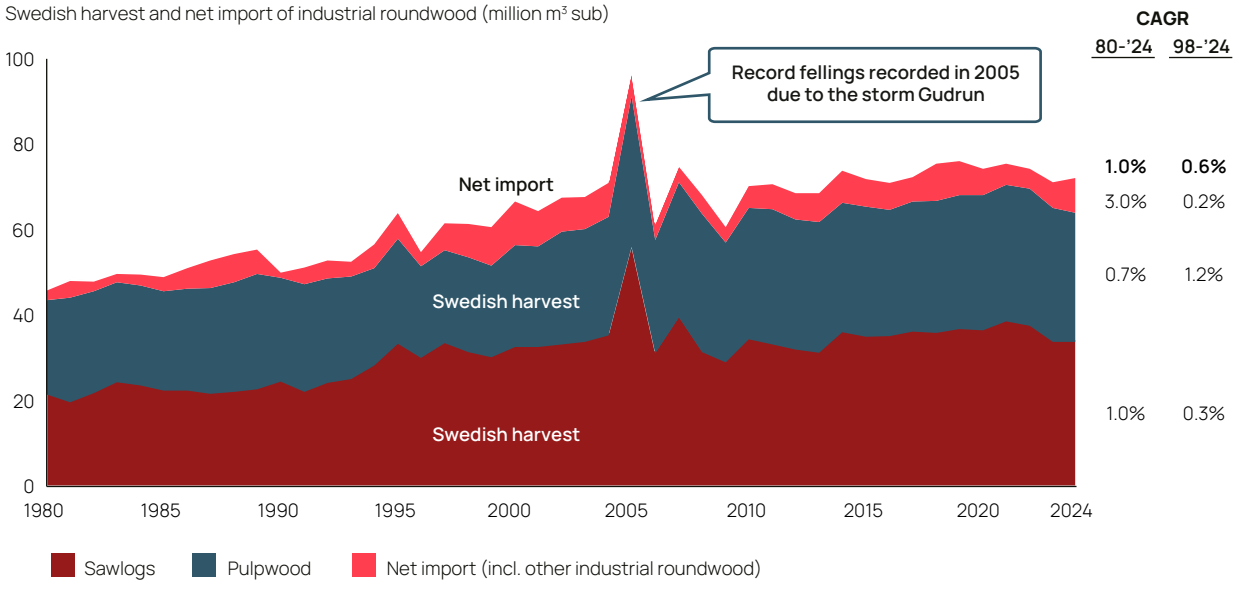
Net felling of industrial roundwood in Sweden has increased over the past 35 years, supported by gross biological growth increase. Annual biological growth has increased at an average rate of approximately 0.7 percent per annum over the period 1956–2021, driven by improvements in forest management practices, including site-adapted forestry, active regeneration, as well as advances in seedlings and tree breeding.[2] Forest land area has remained broadly stable over time, with increases in standing stock reflecting higher productivity per hectare. Over the period 1995–2025, standing stock[3] has grown significantly faster than productive forest area, at approximately seven times the rate, indicating a sustained increase in forest resource availability.[4] The age class distribution of Swedish forests further supports this development, with the most common age group being 40–60 years. This indicates that a significant proportion of trees have spent the past approximately 30 years in a high-growth phase, contributing to the increase in standing stock.[5]

Net import

Sweden has historically been a net importer of industrial roundwood, reflecting strong domestic demand. Supply dynamics have, however, been subject to fluctuations driven by external events. For example, the storm Gudrun in 2005 temporarily increased harvest volumes, reducing import requirements as mills utilized accumulated stockpiles.[6]

Net imports account for approximately 11 percent of total Swedish industrial roundwood supply.[7] Imports are primarily sourced from Norway, Finland and the Baltic countries. Imports from Norway have increased significantly over time, growing approximately tenfold over the period 1995–2025, driven by excess supply following reduced domestic demand due to closures of Norwegian pulp mills. Imports from Russia were significant until the introduction of export tariffs between 2007 and 2009, which increased customs duties on wood to approximately 25 percent, with the aim of supporting the domestic forest industry and promoting a shift towards higher value-added exports. Tariffs were partially reduced by 10–15 percentage points following Russia's accession to the World Trade Organization in 2012 but remained at levels that constrained imports to approximately 10 percent of total supply prior to ceasing in 2022 following Russia's invasion of Ukraine.[8]

Total industrial roundwood supply in Sweden (1980–2024)[9]



1) Source: Market Study, based on data from Food and Agriculture Organization of the United Nations and Swedish Forest Agency.
2) Source: Market Study, based on Swedish University of Agricultural Sciences and Swedish Environmental Protection Agency. Growth represents the growth within total volume increment in Sweden that is productive forest area outside formally protected areas.
3) Standing stock refers to the total volume of trees in a forest, including both living and dead trees, as well as trees below specified size thresholds.
4) Standing stock and productive forest area excluding formally protected areas. Source: Market Study based on data sources from Swedish National Forest Inventory (NFI) and Swedish University of Agricultural Sciences.
5) Source: Market Study.
6) Source: Market Study, based on data sources from Food and Agriculture Organization of the United Nations and Swedish Forest Agency.
7) Source: Market Study, based on data sources from Biometria and Food and Agriculture Organization of the United Nations.
8) Source: Market Study, based on SCB and UNECE.
9) Source: Market Study, based on sources from Food and Agriculture Organization of the United Nations and Swedish Forest Agency. Total industrial roundwood classification includes products with item codes 1865 as per FAO's classifications.

Supply outlook

Swedish forests offer approximately 3 million m³ sk (approximately 2.7 million m³ sub) of accessible headroom during the next ten years beyond the estimated 2025 gross felling level of approximately 88 million m³ sk.[1] While theoretical additional gross felling potential is estimated, based on the Market Study, at approximately 11 million m³ sk, the majority of this volume (approximately 8 million m³ sk) is not practically accessible.[2] A significant share consists of dead or windthrown timber and volumes originating from non-productive forest land, with dead and windthrown timber only harvestable within a limited time window before environmental protection constraints apply. The remaining theoretical headroom is predominantly located in Northern Sweden, where logistical constraints and high transportation costs materially reduce economic accessibility. In addition, the residual accessible volume of living trees is largely composed of broadleaved species, which typically command lower prices than coniferous wood due to shorter fiber length.[3]

Current Swedish net import levels are approximately 2 million m³ sub (approximately 2.5 million m³ sk) below historical peak, indicating room to increase imports. Potential additional Norwegian roundwood supply of approximately 4 million m³ sub is identified, but only approximately 1.2 million m³ sub (approximately 1.4 million m³ sk) currently considered economically accessible. A significant share of additional supply is located in western Norway, where high costs significantly limit accessibility. Accessible additional supply is located in eastern Norway, Østlandet, which is a region with high existing forestry utilization.[4]

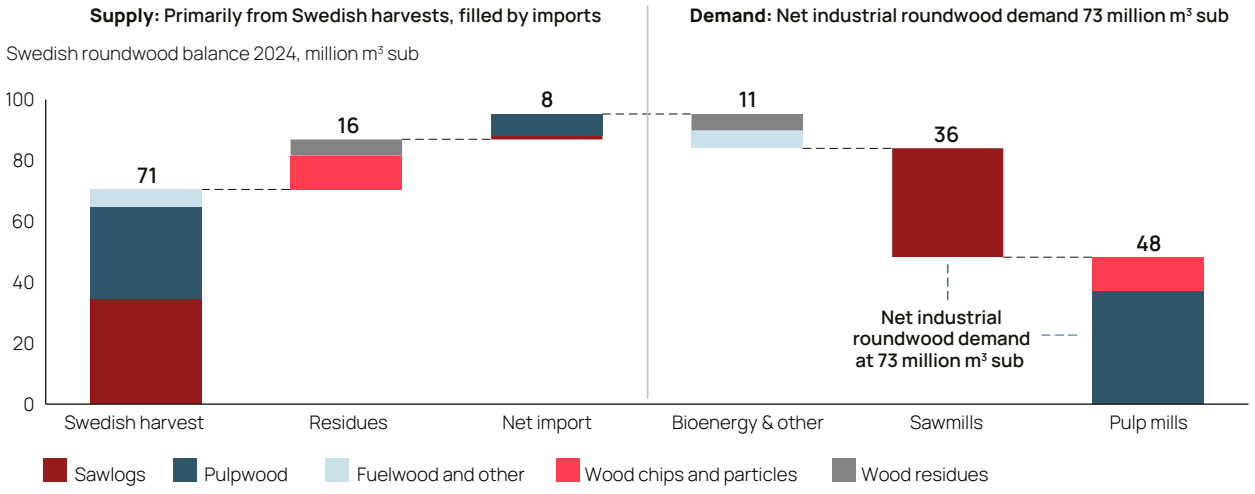
In Sweden, mill theoretical industrial roundwood consumption is expected, based on the Market Study, to reach approximately 78 million m³ sub (approximately 91 million m³ sk) by 2028 based on a maximum utilization of 95 percent in saw and pulp mills, and additional announced capacity of 430,000 m³ per annum (approximately 860,000 m³ per annum consumption).[5] This represents a ceiling for mill demand, absent additional capacity investments – beyond this level, Swedish mills cannot meet additional end-market demand without further capacity expansion. Volume outlook is ultimately capped by supply, not demand. While future additional demand reaches approximately 13 million m³ sk, available supply only adds approximately 5 million m³ sk.[6]

Supply-demand dynamics

Swedish roundwood balance

Demand for industrial roundwood in mid-Sweden exceeds local harvest volumes and is therefore supplemented by imports. These imports are sourced from both domestic surplus regions and international markets, with Norway representing the largest import source. In 2024, net industrial roundwood demand of sawlogs and pulpwood amounted to approximately 73 million m³ sub, compared to domestic harvest volumes of approximately 65 million m³ sub, illustrating the structural supply gap.[7]

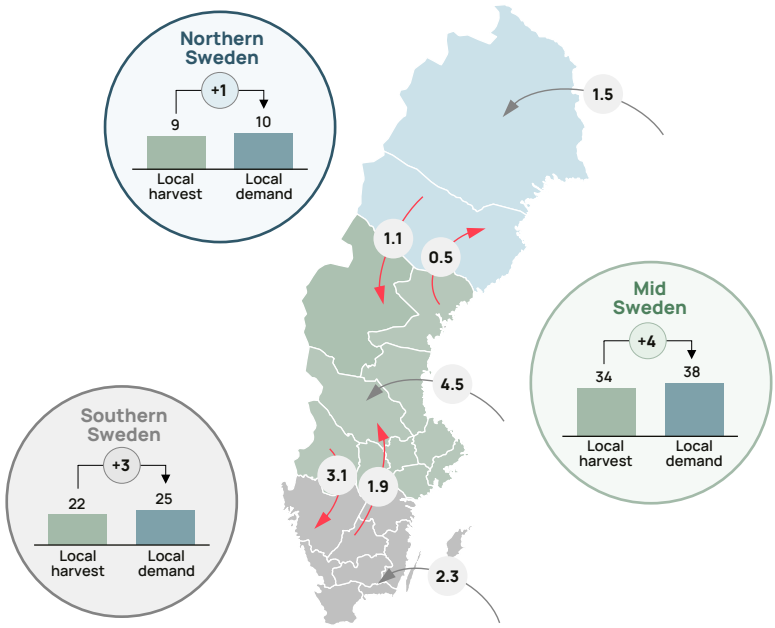
Swedish roundwood balance, million m³ (2024)[7]



1) Source: Market Study based on data from the Swedish Forest Agency. Potential gross felling based on scenario "Business-as-usual potential harvest" from Swedish Forest Agency SKA 22 report.
2) Source: Market Study based on data from the Swedish Forest Agency. Theoretical additional gross felling potential estimate based on scenario "Business-as-usual potential harvest" from Swedish Forest Agency SKA 22 report.
3) Source: Market Study, based on Swedish Forest Agency SKA 22 report.
4) Source: Market Study, based on Statistics Norway, National Forest Inventory (NFI), Norwegian Ministry of Climate and Environment, Food and Agriculture Organization of the United Nations and SCB.
5) Source: Market Study, based on RISI, company websites, Biometria and Swedish Forest Agency. Total industrial roundwood consumption based on data from Biometria.
6) Source: Market Study, based on RISI, company websites, Biometria, Statistics Norway, Norwegian Ministry of Climate and Environment and Swedish Forest Agency. Total industrial roundwood consumption based on data from Biometria.
7) Source: Market Study, based on data from Biometria and Food and Agriculture Organization of the United Nations.

Bergslagets Skogar will operate in a structurally supply-constrained market, driven by several underlying factors. Firstly, forest land area in Sweden has remained relatively stable over time, with standing stock increasing at approximately 0.7 percent on average per annum over the past 30 years, supporting only gradual increases in available supply.[1] Secondly, harvesting levels are further constrained by regulatory frameworks designed to ensure sustainable forest management. The Swedish Forestry Act (Sw. *skogsvårdslagen (1979:429)*) sets minimum felling ages, typically ranging from approximately 45 to 100 years depending on tree species and site conditions, limiting the rate at which forests can be harvested. Finally, transportation costs act as a structural constraint on supply, limiting the economic viability of sourcing roundwood from more distant regions and thereby restricting effective supply availability.[2]

Industrial consumption of sawlogs and pulpwood per region, million m³ sub (2024)[3]





Roundwood trade flows, million m³ (2025)[4]



1) Source: Market Study, based on Swedish National Forest Inventory (NFI) and Swedish University of Agricultural Sciences.
2) Source: Market Study, based on Swedish University of Agricultural Sciences, Swedish Forest Agency, Swedish Forest Industries, Swedish Environmental Protection Agency and the Swedish Parliament.
3) Source: Market Study, based on data from Biometria and Food and Agriculture Organization of the United Nations. Legend: red lines represent inter region trade-flows and gray lines represent imports.
4) Illustrative and non-exhaustive. Source: Market Study, based on UN Comtrade. Legend: red lines represent imports to Sweden and green lines exports from Sweden.

Pricing dynamics and outlook

Price formation overview and historical development

Roundwood prices have shown long-term growth and positive correlation with inflation. Historical price development has been influenced by several factors[1], including the following:

- **2005:** Storm Gudrun resulted in 75 million m³ of wind-thrown timber creating excess supply, driving prices down
- **2005–2010:** Strong graphic paper demand supported pulpwood consumption and lifted overall prices
- **2010:** Prices weakened from 2010, due to a structural decline in graphic paper, which led to closures, reducing pulpwood demand
- **2018–:** Bark beetle outbreaks increased salvage logging, temporarily boosting supply and dampening prices. The bark beetle outbreak began in 2018 and continued through 2023, with majority of damage occurring between 2018–2021 and highest concentration in southern mid-Sweden and South Sweden regions
- **2021:** Covid-19 drove a surge in construction and DIY (do-it-yourself) activities, driving up sawlog prices around 2021
- **2022–:** After 2022, prices increased sharply driven by tighter regional supply (reduced Russian imports to the Nordics), declining bark beetle-related harvests, and rising energy and harvesting costs
- **2025–:** Prices started to decline in H2 2025, driven by weak construction activity weighing on demand, alongside supply disruptions caused by storm Johannes

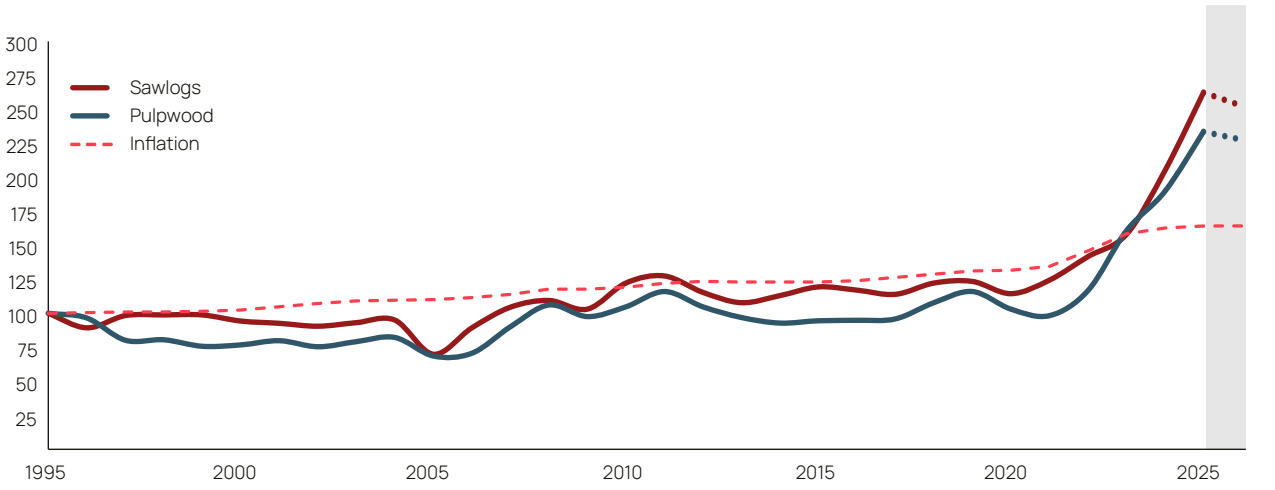
In terms of the price outlook, market fundamentals remain supportive for both sawlogs and pulpwood. Following a period of near-term price normalization, reflecting increased supply following storm Johannes and cyclical demand softness, particularly in construction, long-term price development is expected to remain broadly linked to inflation. This is underpinned by structural cost drivers, including labor, fuel and other inflationary input costs.[2]

Prices are further supported by tight supply-demand dynamics, particularly for sawlogs. Over the long term, the inflation trendline is expected to provide a lower bound for both sawlog and pulpwood prices, supported by continued demand from high-value end markets.[3] Sawlogs are expected to maintain a structural premium over pulpwood, reflecting their higher-value end uses, more stringent product quality requirements and limited substitutability. Sawn timber is used in structurally important and difficult-to-substitute applications, including construction, engineered wood products and joinery, which command materially higher output prices than pulp and paper products. The historical long-term price premium of sawlogs over pulpwood provides an indication of the potential upper range of this premium in the price outlook of sawlogs.[4]

Fluctuations in wood prices

Short-term price volatility has historically been driven by changes in supply-demand balance, including weather events, pest outbreaks, regional trade disruptions and construction cycles. Historical supply shocks, such as storm Gudrun in 2005 or storm Niklas in 2013, have each been followed by a recovery period of approximately two years before prices normalized. Applying the same pattern to the current cycle, roundwood prices would remain under pressure 2026–2027 and rebound in 2028. Prices are currently normalizing from elevated levels due to cyclical demand softness, particularly in construction, but remain supported by tight supply-demand dynamics especially in sawlogs, where sawlogs have commanded a consistent historical price premium of 45–80 percent over pulpwood from high-value end use cases.[5]

Roundwood prices and CPI in Sweden, Indexed, 1995=100 (1995–Q2 2026)[6]



1) Source: Market Study, based on sources from Swedish Forest Agency, Swedish University of Agricultural Sciences and SCB.
2) Source: Based on Market Study.
3) Source: Market Study, based on sources from Swedish Forest Agency.
4) Source: Market Study, based on data from Swedish Forest Agency.
5) Source: Market Study, based on Swedish Forest Agency and Sveriges Riksbank.
6) Source: Market Study, based on actual prices for delivery timber/roadside timber until Q1 '25; prices after are extrapolated using price development of harvesting contracts due to changes in price methodologies for delivery/roadside timber and to cover a larger share of the market. Based on data from Swedish Forest Agency, Swedish University of Agricultural Sciences and SCB.

Selected factors impacting industrial roundwood pricing[1)]

	Selected factors impacting roundwood competitiveness and pricing
Sawlogs	◆ Nordic fiber's distinctive characteristics, tight growth rings, high density, and straight form, are difficult to replicate with faster-growing alternatives ◆ These attributes are specifically valued in high-end construction, joinery, and engineered wood, supporting sustained pricing power in premium end-markets ◆ Sawn wood's high end-value support mills' willingness to pay a premium, however sawmill input costs cannot rise beyond the point at which sawmill margins are materially eroded
Pulpwood	◆ Pulpwood operates in a more globally integrated market than sawlogs, making it directly exposed to international supply and pricing dynamics ◆ Fast-growing, low-cost alternatives, particularly eucalyptus from Latin America, are increasingly competitive on fiber yield and cost per tonne ◆ The quality differentiation that underpins sawlog premiums is less pronounced in pulp applications, limiting the ability to command a premium over global alternatives



1) Source: Market Study, based on lit search and market participant interviews.

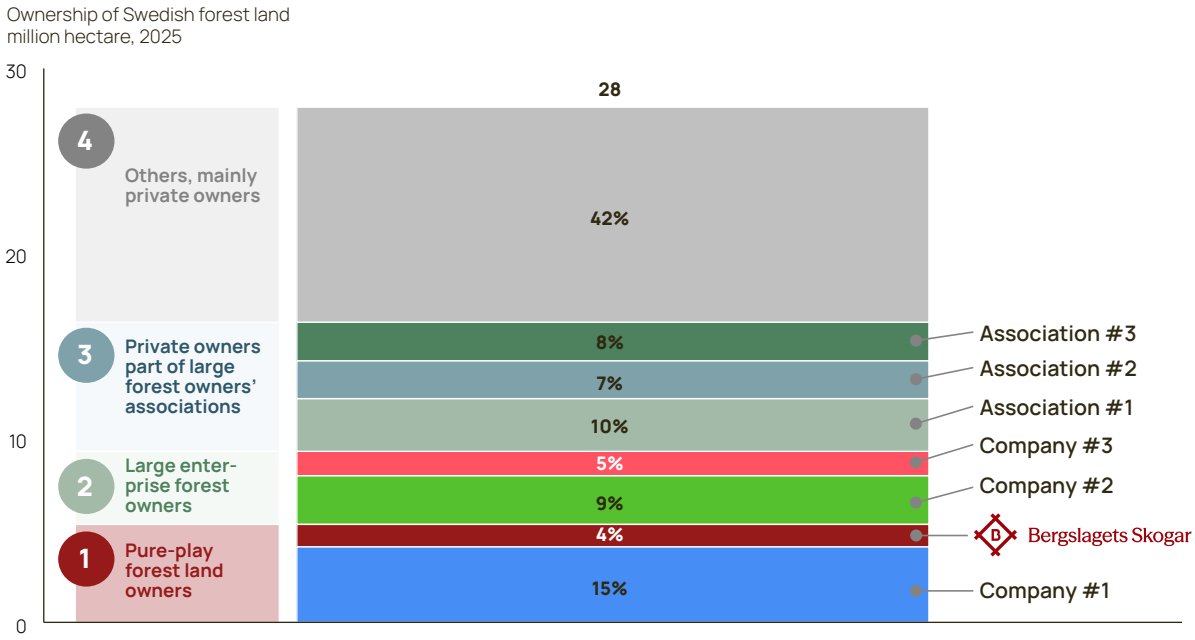
Competitive landscape and regulatory environment

Competitive landscape in Swedish forestry

The Swedish forestry market is characterized by a fragmented and diversified ownership structure. Swedish forest asset ownership falls into four main owner types; (i) large enterprise forest owners, (ii) pure-play forest land owners, (iii) large owners' associations and (iv) other, mostly consisting of fragmented private ownership.

Both large enterprise forest owners and pure-play forest land owners are industrial-scale forest owners with professionally managed forest operations. Unlike pure-play forest land owners, however, large enterprise forest owners are vertically integrated forest and industrial groups. The four largest owners across large enterprise forest owners and pure-play forest land owners, including Bergslagets Skogar following the Demerger, hold approximately 33 percent of Swedish forest land, of which 4 percent will be held by Bergslagets Skogar. Bergslagets Skogar will be the southernmost of the four largest owners across large enterprise forest owners and pure-play forest land owners. In parallel, forest owners' associations represent a part of the Swedish market structure by aggregating private forest ownership and offering forest management, harvesting and sales services to their members. The three largest owners' associations hold an aggregate of approximately 25 percent of Swedish forest land spread across over 108,000 private owners. The remaining ownership base consists largely of fragmented private forest owners and other entities with smaller and more dispersed forest land holdings.[1)]

Fragmented forest ownership in Sweden[2)]



The competitive environment is influenced by the extent to which forest owners are integrated downstream into industrial processing activities. These can be distinguished between pure-play forest land owners, which concentrate on forest ownership, silviculture and roundwood supply, and large enterprise forest owners, which are integrated forest and industrial players that combine forest ownership with downstream activities such as sawmilling, pulp, paper and packaging. Bergslagets Skogar will be a pure-play forest company positioned upstream in the value chain, while several other large forest owners are more vertically integrated into downstream industrial operations with related end-market exposures.

1) Source: Market Study, based on company and association's websites and annual reports, Swedish Forest Agency and Swedish Forest Industries.
2) Source: Market Study, based on company websites and annual reports and Swedish Forest Agency. Forest ownership per entity sourced from company/association websites and reports.

Bergslagets Skogar's value chain position[1)]



- **Limited end-market cyclicality**
- **Limited investment requirements**
- **Ability to optimize harvest timing**
- **Ability to optimize holdings for forestry rather than industry**

Swedish forestry industry is characterized by strong entry barriers

The Swedish forestry market is characterized by structural entry barriers which limit the ability of new entrants being able to compete and establish significant positions in the market. These entry barriers arise primarily from the limited availability of forest land, long biological growth cycles, the importance of geographic proximity to processing capacity, the capital intensity of forest ownership and management, and legal restrictions affecting the expansion of corporate forest ownership.[1)]

- Access to forest land constitutes a principal entry barrier. The area of productive forest land in Sweden has remained largely stable over time, meaning that new supply of forest land is inherently limited and participation in the market generally requires the acquisition of existing forest land rather than the creation of new supply.[1)]
- The sector is characterized by long biological growth cycles. Swedish forests are subject to long rotation periods, with growth cycles of approximately 60 to 120 years[1)], which means that the development of a productive forest asset base requires substantial time and long-term capital commitment. As a result, forest ownership is not readily replicable within a short period of time, and the volume of roundwood supply is structurally constrained by the underlying biological growth of the forest resource.[1)]
- Geographic proximity to sawmills and pulp mills constitutes a significant competitive barrier. The transport cost of roundwood limits the economic viability of long-distance supply and contributes to a localized market structure. Accordingly, ownership of forest land in locations with access to nearby processing capacity represents an important competitive advantage that may be difficult for new entrants to replicate. Transportation costs become uneconomical beyond approximately 200kilometers from mills.[1)]
- The Swedish forestry market is capital intensive. Meaningful participation in the sector requires significant upfront investment to acquire forest land, manage the forest asset base and fund long-term forestry operations, while the long biological and operational cycles result in extended payback periods. These characteristics may limit entry by participants without access to long-duration capital and operational forestry capabilities.[1)]
- In addition, legal and regulatory factors limit market entry and expansion. Swedish legislation limits the increase of corporate forest ownership, such that companies may, in certain cases, swap plots but may not meaningfully increase total corporate-owned forest area except through transactions involving existing owners. As a result, expansion opportunities for corporate entrants are affected by the availability of assets from existing market participants.[1)]

Geography has a significant effect on the forestry market dynamics

Site productivity varies across the principal forestry regions of Sweden and is an important determinant of forest asset quality and long-term harvesting potential. Bergslagets Skogar's geographic footprint will be a key differentiating factor where the Company will be favorably located in mid-Sweden, with local demand exceeding local harvest in the region (see the section "*Market overview – Supply-demand dynamics*"). The forest estate to be held by Bergslagets Skogar is located in regions with strong site productivity, averaging approximately 5.6 m³fo per hectare per annum, which is more favorable than for several sizeable peers with more northern exposure.[1)] Areas in Northern Sweden have site productivity figures of approximately 3–5 m³fo per hectare per annum. Additionally, mid-Sweden provides a higher site productivity through standing stock volumes of approximately 130 m³fo per hectare, whereas northern regions are characterized by lower standing stock density between approximately 80–120 m³fo per hectare.[2)]

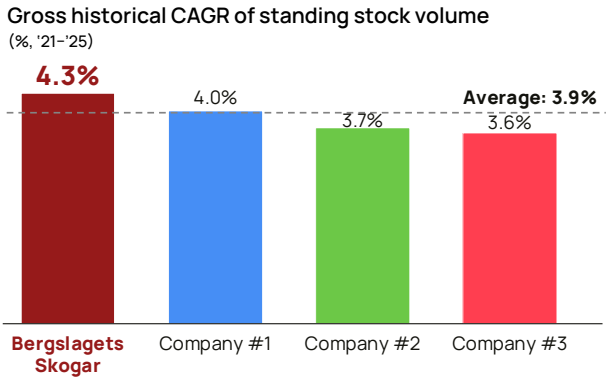
1) Source: Market Study.

Southern Sweden offers stronger site productivity than Mid and Northern Sweden, however, ownership in Southern Sweden is more fragmented and mainly held by private individuals, and no sizable private players with similar scale hold large land areas in that region. Standing stock growth volumes on the forest estate have exceeded those of the key peers during recent years, delivering 4.3 percent per annum growth, whereas key peer average, including Bergslagets Skogar, has been 3.9 percent.[3] Mid-Sweden therefore combines favorable biological productivity with a more concentrated and scalable forest asset base. Mid-Sweden also constitutes a significant demand region in the Swedish forestry market. The location supports access to a concentrated downstream customer base within the Swedish industrial roundwood market. Therefore, mid-Sweden relies on both domestic and international inflows of roundwood.[4]

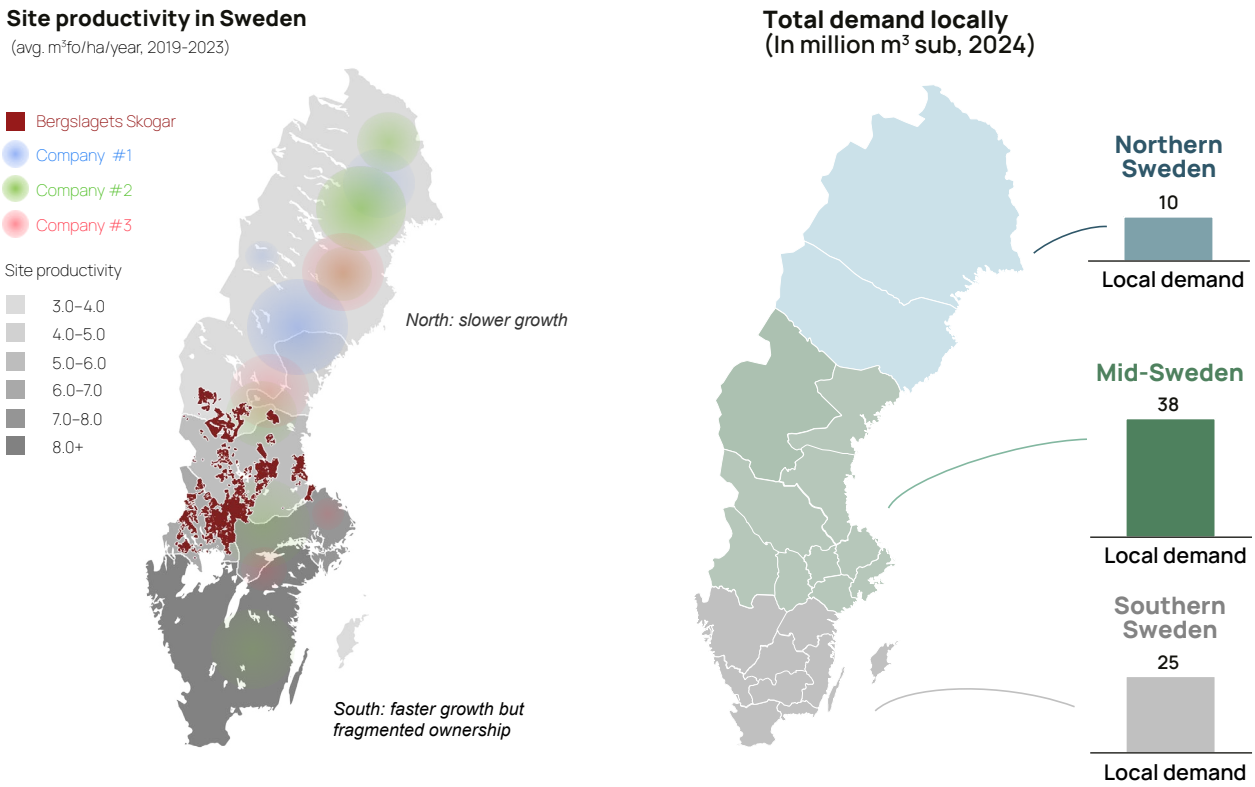
The regional imbalance in supply and demand is structural in nature. Mid-Sweden imports approximately 10 percent of its consumption, including inflows from Northern and Southern Sweden and from Norway.[5] Swedish roundwood imports are sourced primarily from nearby markets, including Norway and the Baltic Sea region, consistent with the regional nature of roundwood trade.

Additionally, mid-Sweden has a total local demand exceeding that of North and South Sweden and benefits from a high concentration of sawmills and pulp mills in the region. The geographic location of Bergslagets Skogar will therefore provide access to a significant local industrial demand base within the Swedish industrial roundwood market.[6]

Bergslagets Skogar's standing stock volume growth (2021–2025)[3]



Bergslagets Skogar's geographical location and geographical demand[7]



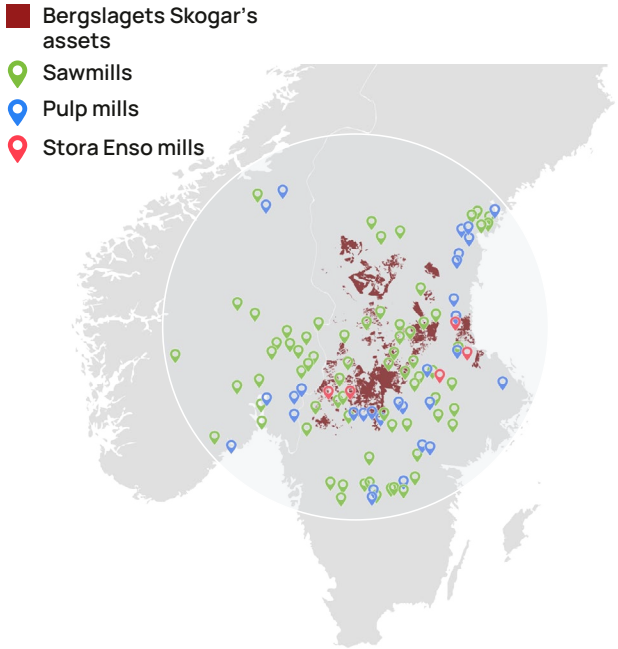
1) Source: Market Study, Swedish University of Agricultural Sciences (SLU) and Ludvig&Co. Based on managed part of forest land.
2) Source: Market Study, Swedish University of Agricultural Sciences (SLU) and Ludvig&Co.
3) Source: Market Study based on data from company annual reports. Standing stock volume growth as gross CAGR which reflects actual forest growth, including cumulative harvest volumes. For Bergslagets Skogar, 2021–24 due to a 12.4 percent divestment of Swedish forest assets in FY25.
4) Source: Market Study, Swedish University of Agricultural Sciences (SLU), Ludvig&Co, Swedish Forest Industries and company websites.
5) Source: Market Study, based on data from Biometria and Food and Agriculture Organization of the United Nations.
6) Source: Market Study.
7) Source: Market Study, based on Biometria, company websites, Swedish Forest Industries, Swedish University of Agricultural Sciences (SLU). Graph illustrates the geographical reach of the large enterprise forest owners and pure-play forest land owners.

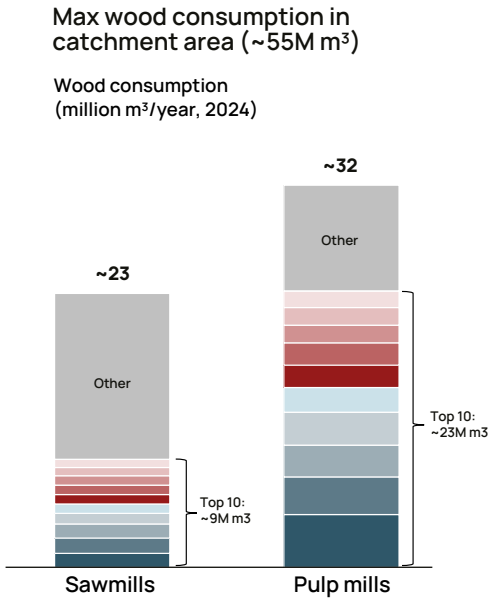


In the Swedish forestry market, competitive conditions are shaped by the combination of local supply conditions and the geographic placement of processing capacity. Industrial roundwood markets are local in nature due to transportation economics, and proximity to sawmills and pulp mills is an important competitive factor. In this context, the forest asset base in mid-Sweden to be held by Bergslagets Skogar is positioned in proximity to significant local industrial demand. Local demand in mid-Sweden has exceeded local harvest levels consistently during the recent years, contributing to a structurally tight regional market balance within core geographical locations.[1)]

Transport economics make the roundwood market largely local. The forests transferring to Bergslagets Skogar are located in the center of more than 50 million m³ of annual Swedish wood demand from nearby sawmills and pulp mills. The relevant catchment area is defined using an approximately 200 kilometer radius around the forests, reflecting the practical maximum haul distance for bulky wood to be competitively priced. The catchment area encompasses a maximum annual Swedish wood consumption of approximately 55 million m³ [2)], out of which approximately 23 million is created by sawmills and 32 million by pulp mills. These volumes correspond to an estimate of approximately SEK 48 billion[3)] of annual Swedish roundwood demand in the catchment area.

Bergslagets Skogar's forest assets and catchment area size[4)]





Note: The data in the graph represents wood consumption within the Swedish catchment area.

1) Source: Market Study.
2) Maximum wood consumption in catchment area estimated considering 2024 demand for pulp mills and total capacity for sawmills. Sawmill consumption estimate based on production capacity, with multiplying factor of 2. Source: Market Study, based on Swedish Forest Industries and company websites.
3) Wood consumption value calculated by applying 2025 average Swedish roadside prices for sawlogs and pulpwood to consumption volumes. Source: Market Study, based on Swedish Forest Industries and company websites.
4) Source: Market Study and Swedish Forest Industries and company websites/reports. Catchment area defined as a 200 kilometer radius around Bergslagets Skogar's forest, reflecting the practical maximum haul distance for bulky wood.



Regulation affects the competitive environment and the supply of wood

The Swedish forestry market operates within a regulatory and certification framework that influences forest management practices, harvesting activities, biodiversity measures and the use of forest land. This framework consists principally of voluntary certification standards, Swedish forestry and environmental legislation, and certain EU regulatory initiatives relevant to forestry, traceability, sustainability and carbon-related matters.

Certification standards constitute an important part of the operating environment for Swedish forestry. FSC and PEFC act as key certification standards applicable to Swedish forestry. These certifications establish standards for responsible forest management, including requirements relating to biodiversity, traceability and social considerations, and are increasingly relevant in relation to customer expectations and market access.

Certification under FSC and PEFC has a material impact on the operating and commercial environment of the Swedish forestry sector. Certification is widely required by industrial buyers, including sawmills, pulp and paper producers and wood-based product manufacturers, and consequently operates as a de facto prerequisite for access to key end-markets within packaging, tissue and consumer goods. As a result, forest owners with certified assets are generally positioned to supply industrial roundwood into established value chains, whereas lack of certification may limit commercial access to such channels. Furthermore, established forest owners with certified forest holdings are aligned with prevailing customer requirements and sustainability expectations, while the need to comply with certification standards represents an additional operational threshold for market participants. In this context, certification forms part of the broader set of structural characteristics that define participation in the Swedish forestry market.

In addition to certification standards, Swedish regulation sets high standards for forestry that drives high-quality Swedish forestry operations. Swedish forestry is subject to national legislation governing felling, regeneration, environmental protection and land ownership. The Swedish Forestry Act acts as the principal legal framework governing felling and regeneration requirements, whereas the Swedish Environmental Code (Sw. *miljöbalken (1998:808)*) acts as a key code to the protection of species and habitats, and the Swedish Land Acquisition Act (Sw. *jordförvärvslagen (1979:230)*) as relevant to restrictions affecting corporate land ownership.

These legislative frameworks have a material impact on the structure and functioning of the Swedish forestry market and affect, among other things, permitted harvesting practices, the management of protected or sensitive areas and the conditions under which forest land may be acquired or held.

- The Swedish Forestry Act establishes mandatory requirements for regeneration and the principle of sustained yield, requiring that harvesting activities are balanced with growth sustaining and regeneration measures which maintain the long-term productivity of forest land. This framework contributes to the stability and predictability of wood supply over time, while simultaneously imposing obligations on forest owners in relation to silviculture and harvesting planning and execution.

- The Swedish Environmental Code affects forestry operations through provisions relating to biodiversity conservation, the protection of species, in particular birds, the protection of habitats and the safeguarding of environmentally sensitive areas. These requirements may limit the extent and timing of harvesting activities in certain locations and necessitate the preservation of specific environmental features within managed forest land. As a result, forest management practices are shaped not only by commercial considerations but also by environmental and conservation-related obligations.
- The Swedish Land Acquisition Act imposes restrictions on the acquisition and ownership of forest land, particularly for legal entities, as permits for acquisitions may be required. These provisions constrain the ability of market participants to expand their forest holdings through new land purchases and in turn contribute to a market structure in which growth is largely dependent on the availability of existing assets from current owners. Consequently, the supply of investable forest land is inherently limited and subject to regulatory oversight.

These legislative frameworks affect competitive dynamics in the sector in several ways. First, requirements relating to set-asides, consideration areas, harvesting age limitations, felling notification procedures and other biodiversity or environmental measures may constrain the amount of timber that can be brought to market and the flexibility with which forest owners may conduct their operations. Second, the ability to comply with applicable legislation, certification and regulatory standards may influence market access and the commercial attractiveness of forest owners and suppliers, particularly where customers place increasing emphasis on traceability and responsible forest management.

More broadly, the regulatory and certification framework may reinforce the structurally constrained supply characteristics of the Swedish industrial roundwood market. To the extent that future certification or regulatory developments increase set-aside requirements, limit harvestable areas or impose additional compliance obligations, such developments may strengthen the importance of established, well-managed and strategically located forest land. Certification standards and regulations may therefore favor participants with the operational capability, scale and long-term planning capacity required to manage forest land effectively within a demanding sustainability and compliance framework.

Overview of relevant regulations and certifications[1)]

	EU regulations and taxonomy				
	EUDR	EU Taxonomy	LULUCF	EU NRR	CRCF
Description	Requires wood products sold in the EU to be deforestation-free, legally produced, and fully traceable; Expected to reduce high-risk supply in the EU market	Classification system defining what qualifies as a "sustainable" economic activity, incl. forestry. Alignment relevant for accessing green financing and ESG capital	Binding targets for carbon sinks in the EU forestry and land-use sector, imposed on member states. Sweden's targets are the EU's most ambitious	Binding ecosystem restoration targets across the EU. Requires member states to put in place restoration measures covering at least 20 percent of EU land areas and 20 percent of sea areas by 2030, and all ecosystems in need of restoration by 2050	The EU's first voluntary carbon-certification framework, aiming to create a standardized and credible market for carbon removal activities. Complements LULUCF and similar instruments by incentivizing private actors to undertake carbon removal activities
Current impact	No current material impact				

1) Source: Market Study, based on Swedish parliament & government websites, SCB, Swedish Forest Agency, Swedish Forest Industries, FSC, PEFC, EU regulations and agencies, company websites, World Forest ID, Yale, The Guardian and Riksdagen.

	Swedish regulations			Certifications	
	The Swedish Forestry Act	The Swedish Environmental Code	The Swedish Land Acquisition Act	FSC	PEFC
Description	Governing how forestry is practiced in Sweden, with equal emphasis on productivity and environmental values. Regulations incl. six-week felling notification, regeneration within three years after harvest, minimum stand age before regeneration felling (45–100 years), and environmental consideration during operations (e.g. retention trees, buffer zones)	Sweden's overarching environmental law – covers protected areas (Natura 2000, nature reserves), species protection, and water protection across all economic activity, including forestry	Regulates corporate acquisitions of forest land to protect the 48 percent private forest ownership in Sweden	Global non-profit certification founded in 1993 to promote responsible forest management. Covers biodiversity, traceability and social rights through nationally adapted standards. De facto required by European and North American customers in packaging, tissue, and consumer goods; has faced some scrutiny in Sweden	Global certification founded in 1999 by small European forest owners. Covers biodiversity, sustainable management, and traceability via nationally adapted standards
Current impact	Harvest area and flexibility: minimum stand age, environmental considerations, felling permits, and rationing (forestry units >50 ha cannot have more than 50 percent as recently harvested or younger than 20 years)	Harvest area: approximately 6 percent of Sweden's productive forest is formally protected; species protection can block individual fellings; Compliance: forestry operations (including harvesting) must continuously observe statutory environmental considerations requirements	Corporate land ownership: Limited total area – if a company wants to expand area they need to purchase from another company	Harvest area: Rules include ≥5 percent set-asides for conservation + ≥5 percent managed with methods promoting nature values. In addition, consideration areas in all harvesting sites, HCV protection and other biodiversity requirements such as retention trees. It is required to do pre-harvest nature value assessments and Sami consultation in reindeer husbandry areas	PEFC addresses broadly similar sustainability aspects as FSC, including conservation set-asides, retention measures and the protection of high conservation values (HCVs). The specific requirements and their application may differ between the two certification systems

Forests as an asset class and forest land asset economics

Forest land in Sweden is regarded as a distinct real asset class, characterized by a combination of land ownership, biological growth and recurring harvest income. The value of forest assets is derived from both the underlying land and the standing timber, with biological growth representing a continuous accumulation of value independent of short-term market conditions. Over time, this combination of land appreciation, timber growth and realized harvesting has supported stable and predictable return characteristics relative to many other asset classes. As an investment asset class, forest assets additionally benefit from exposure to several end-markets rather than a single end-use sector.[1)]

Return components

Historical value creation in Swedish forest assets has been supported by a combination of capital appreciation and recurring cash generation. Swedish forest land combines three return components: (i) land value appreciation, (ii) biological growth in standing stock, and (iii) harvest returns.

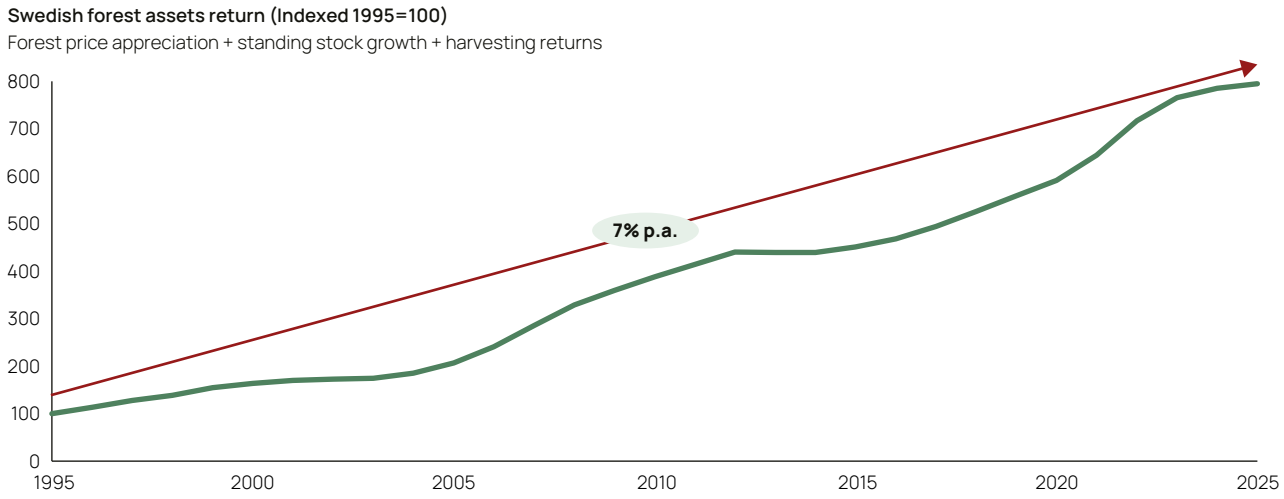
1. **Land value appreciation** represents the largest component of total return. It reflects increases in the underlying value of forest land and standing stock, driven by structural factors including the finite supply of productive forest land and sustained demand from both industrial users and institutional investors. Historically, land value appreciation has contributed approximately 4.9 percent per annum since 1995.[2)] This value appreciation has previously been supported by long-term development in roundwood prices and increasing investment interest in forestry as an asset class. In addition, timber prices have shown a positive correlation with inflation, supporting the role of forest assets as an inflation-linked store of value.[2)]
2. **Biological growth in standing stock** constitutes the second component of return and reflects the natural increase in timber volume over time. This component arises from the biological characteristics of forests, whereby trees grow and accumulate volume independent of short-term economic conditions. Gross annual biological growth in Swedish forests is typically estimated at approximately 3.5–4.0 percent per annum, while net standing stock growth, after accounting for harvesting, has on a long-term basis historically contributed approximately 0.7 percent per annum to total returns between 1995–2025.[3)] This component represents the accumulation of biological value and contributes to the long-term compounding of forest asset value. As a result, forest assets benefit from continuous value accretion through biological growth, which contributes to overall return stability and long-term compounding of asset value.
3. **Harvest return** represents the third component and reflects the realized cash flow generated from the sale of timber. This component is driven by a combination of harvest volumes and realized margins from timber sales. Typical historical harvest levels correspond to approximately 2.5–3.0 percent of standing stock annually, with harvest returns contributing approximately 1.5 percent per annum to total asset returns over the long term (1995–2025).[3)] Historical average harvest margins have consequently been some 53 percent during the same time period.[4)] Harvest income provides a recurring cash yield, while forest owners retain flexibility to adjust harvest timing within regulated frameworks, enabling partial optimization of cash flow generation across market cycles.



1) Source: Market Study.
2) Source: Market Study, based on Swedish National Forest Inventory (NFI), Lantmäteriet (1995–2003), Ludvig&Co (2003–2025) and Swedish Forest Agency.
3) Source: Market Study, based on Swedish University of Agricultural Sciences and Swedish Forest Agency.
4) Source: Market Study; Swedish Forest Agency; Swedish University of Agricultural Sciences (SLU).

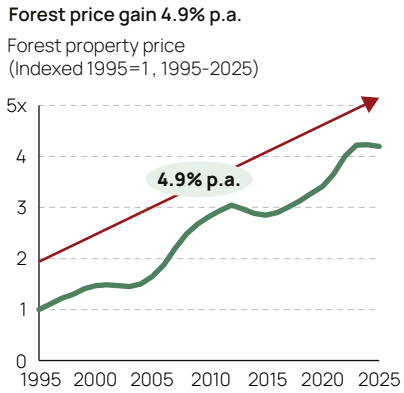
Taken together, these components have resulted in total historical forest asset returns averaging approximately 7 percent per annum over 1995-2025.[1] Within this total return, land value appreciation has consistently represented the dominant contributor, while biological growth and harvest income have provided additional contributions through value accumulation and realized cash flow generation, respectively. Historically, the relative contribution of each component has remained broadly stable, with variations primarily driven by timber price development, harvesting intensity and broader market conditions. On an indexed basis, Swedish forest asset values have demonstrated long-term growth driven by the combined effect of these components.[2]

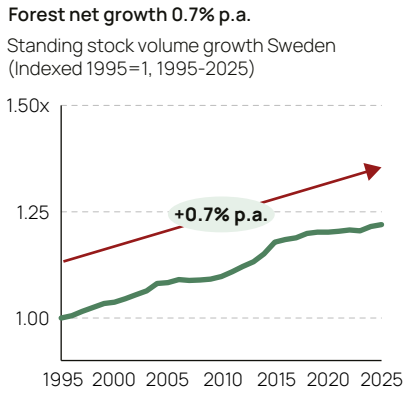
Asset return determinants for Swedish forestry, 1995–2025[2]



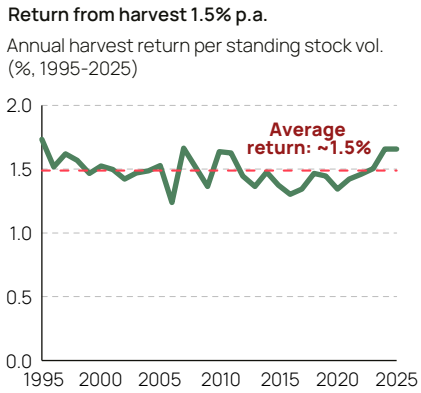
Total asset return of Swedish forest assets – 7% p.a. since 1995

Forest land & biological value appreciation – 5.6 % p.a.





Harvest return – 1.5% p.a.



1) Source: Market Study, based on Swedish National Forest Inventory (NFI), Lantmäteriet (1995–2003), Ludvig&Co (2003–2025) and Swedish Forest Agency.
2) Source: Market Study.

Swedish forests are a strong diversification asset

Swedish forest assets are characterized as providing strong and enduring diversification benefits within a broader investment context, supported by structural features related to pricing dynamics, biological growth and end-market exposure.

- A key factor underpinning this diversification profile is the demonstrated relationship between wood prices and inflation. Wood prices have historically shown positive correlation with inflation, providing a natural hedge against rising price levels and supporting the preservation of real asset value. This dynamic is further supported by the combination of growing end-market demand and the limited availability of productive forest land, which is expected to continue supporting inflation-linked value development over time.[1)]
- Forest assets benefit from the biological nature of forest growth. Biological growth in forests is driven by natural conditions and continues irrespective of short-term economic developments. As a result, value creation through standing stock growth is largely independent of economic cycles, contributing to a component of return that is structurally insulated from macroeconomic volatility. This cycle-independent characteristic is expected to persist, with long-term biological growth continuing at a steady rate over time.[1)]
- Swedish forest assets are also exposed to a diversified set of end-markets, including timber construction, food and consumer packaging, e-commerce-related applications and hygiene products. This diversified demand base reduces dependence on any single commodity or end-use sector and contributes to lower overall cash flow volatility. Looking forward, existing end-markets are expected to remain, while additional areas such as carbon credits, renewable energy leasing and bioenergy are expected to develop and expand, further reinforcing the diversification of revenue streams.[1)]

The aforementioned factors contribute to Swedish forests having been and continuing to be a strong diversification asset. Swedish forestry offers effective diversification from traditional asset classes, as forest returns have low correlation with other mainstream asset classes. Forest assets provide a natural hedge and diversification through forestry's biological growth that is independent of economic cycles, offers low correlation to mainstream assets like equities, providing stability and portfolio diversification. Wood prices often rise with inflation, making forestry as an asset class a natural inflation hedge.[1)]

Future return outlook for Swedish forest assets

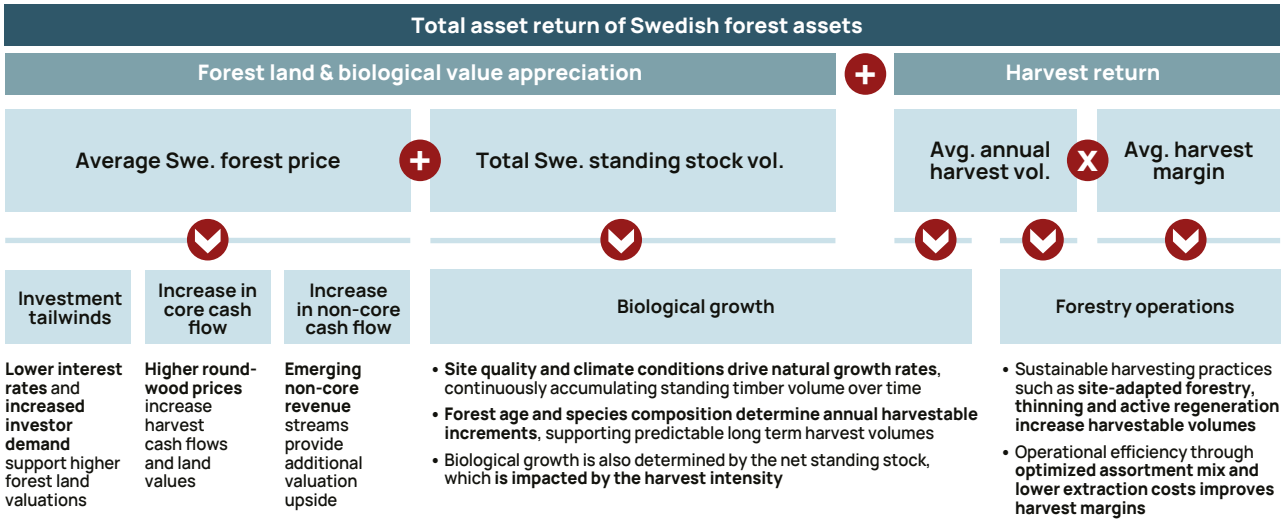
Structural market characteristics are expected to continue underpinning the return outlook. These include the finite supply of forest land, long biological growth cycles, and diversified end-market demand, which together support pricing stability and long-term value creation. The combination of these factors contributes to a return profile that integrates capital appreciation, biological compounding and recurring cash flow generation. Based on the Market Study, future forest returns are expected to be in line with historical rates of 6–8 percent per annum[2)], comprised of the same building blocks as historically:

- **Land value appreciation is expected to remain the principal contributor to future returns**. Forest land price development is anticipated to continue broadly in line with historical trends, supported by a combination of index-linked wood pricing, increasing investment interest in forest assets and sustained structural demand for forest-based products. In particular, the limited availability of productive forest land, combined with growing demand from industrial users and institutional capital, is expected to continue exerting upward pressure on land values over time. In the future, forest land price growth is estimated to be approximately 4.5–5.5 percent per annum.[3)]
- **Biological growth in standing stock** is expected to remain a stable and relatively predictable source of value creation. Net standing stock growth is expected to be in the range of approximately 0.3–0.6 percent per annum going forward, depending on harvest intensity levels.[4)] This reflects the interaction between gross biological growth and harvesting activity, with higher harvesting rates reducing net growth and lower harvesting rates increasing retained biological value. Biological growth is expected to continue to be driven by natural conditions and remain largely independent of short-term economic fluctuations.[5)]
- **Harvest returns** are expected to continue to provide a recurring cash flow component of total returns. Future harvest returns will be supported by stable underlying demand for industrial roundwood and continued operational efficiency improvements, including lower extraction costs contributing to improved harvest margins over time. Total harvest return is expected to be in the range of approximately 1.2–1.8 percent per annum going forward. While harvesting rates may moderate slightly due to increasing regulatory set-asides and sustainability requirements, total harvest volumes are expected to remain supported by underlying forest growth and demand conditions.[5)]

1) Source: Market Study; Swedish Forest Agency.
2) Source: Market Study.
3) Source: Market Study; based on Swedish Forest Agency; Ludvig&Co; Lantmäteriet; Swedish National Forest Inventory (NFI); SKA 22; The Riksbank.
4) Source: Market Study, based on Swedish Forest Agency SKA 22 outlook scenarios; Swedish National Forest Inventory (NFI).
5) Source: Market Study, based on Swedish Forest Agency (SKA 22) and Swedish National Forest Inventory (NFI).

Additional value drivers that may supplement the core return components include land monetization opportunities such as renewable energy leasing and carbon-related revenue streams. These are expected to provide a modest but incremental contribution to total returns over time. Such opportunities are linked to broader structural trends, including decarbonization, electrification and the development of voluntary carbon markets.[1)]

Overview of total return components for Swedish forest assets[1)]



Adjacent markets within Swedish forestry

In addition to its core activity of industrial roundwood production, a range of adjacent market opportunities are accessed that enable forest owners to further monetize their land base and enhance overall asset returns. These opportunities span four principal areas: (i) renewable energy land leasing and development, particularly wind power; (ii) carbon credits, whereby forest owners monetize carbon sequestration through the voluntary and compliance carbon credit markets; (iii) other land usage rights, including leasing for telecom tower, infrastructure, hunting and fishing rights, and recreation and tourism concessions; and (iv) seedling production, through which improved seedlings from in-house nurseries may be sold to external forest owners and reforestation programs. The renewable energy and carbon credit streams represent the largest growth markets, with renewable energy as the largest near-term opportunity, supported by structural sustainability trends across Europe.

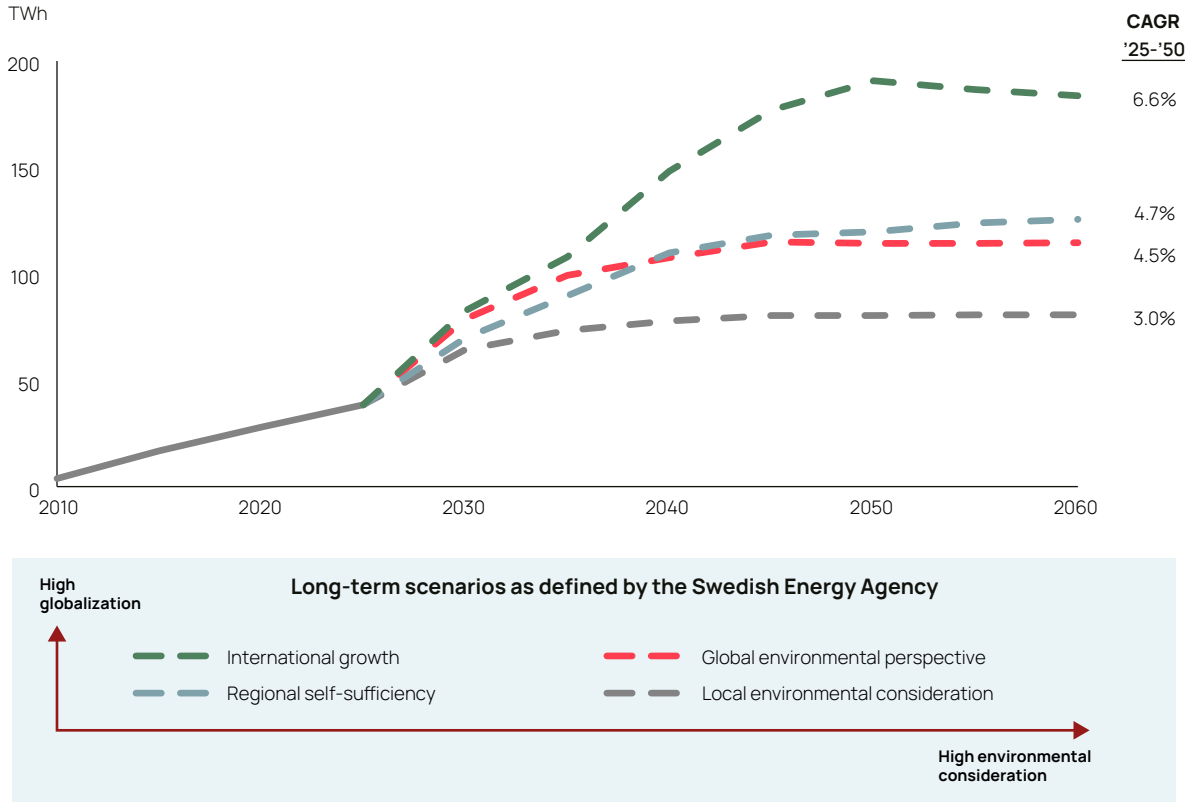
Renewable energy

A key adjacent opportunity arises from the development of renewable energy infrastructure on forest land, particularly wind power. Forest owners may participate in such projects through three principal models: (i) land leasing, whereby land is leased to third-party developers and wind operators with no direct operational involvement; (ii) project development for sale, whereby the forest owner develops a wind project and sells or partners with wind operators on co-developing projects and execution, capturing value alongside the land-lease income; and (iii) own-and-operate, whereby the forest owner builds and retains turbine ownership and operations on its land, monetizing power sales directly.

The Swedish onshore wind market has experienced sustained growth, supported by rising electricity demand and the ongoing electrification of Swedish industry and transport. Sweden's transition towards a low-carbon economy and net zero emissions target by 2045 are expected to require additional renewable electricity generation capacity over time, reinforcing the importance of wind power as a key source of future electricity supply. As a result, demand for suitable land for renewable energy development is expected to remain supported by favorable long-term market fundamentals. Approximately 50 percent of Sweden's wind power output today is generated by turbines located on forest land owned by large forestry participants. Wind power leasing could provide additional revenue streams which may also contribute to higher land valuations. Solar energy represents a further, less mature avenue for value capture, primarily through land lease and royalty contracts with third-party developers, and may offer additional upside as demand for renewable energy continues to increase.[2)]

1) Source: Market Study.
2) Source: Market Study. Data based on Swedish Energy Agency and electricity output forecasts based on Swedish Energy Agency's long-term scenario analysis.

Swedish electricity output from onshore wind turbines[1)]



South and mid-Sweden consistently command an electricity price premium. Bergslagets Skogar's forest asset base is located across bidding zones SE2[2)] and SE3, with the majority situated in SE3. In 2025, the average electricity spot price was 17 EUR/MWh in SE2 and 46 EUR/MWh in SE3.[3)] Forest owners benefit directly from higher electricity prices through land lease arrangements, typically receiving approximately 4–6 percent of revenues generated from onshore wind assets located on their land.[3)] At an average price of approximately 395 SEK/MWh and total generation of approximately 38,450 GWh, Swedish wind power revenues amounted to SEK 14.6 billion in 2025.[3)] As wind power capacity continues to expand in Sweden, forest owners with assets situated in suitable locations in the southern and central regions of Sweden are particularly well positioned to capture incremental value through land leasing for renewable energy generation, with pricing typically influenced by regional electricity market dynamics and project economics.

Carbon credits

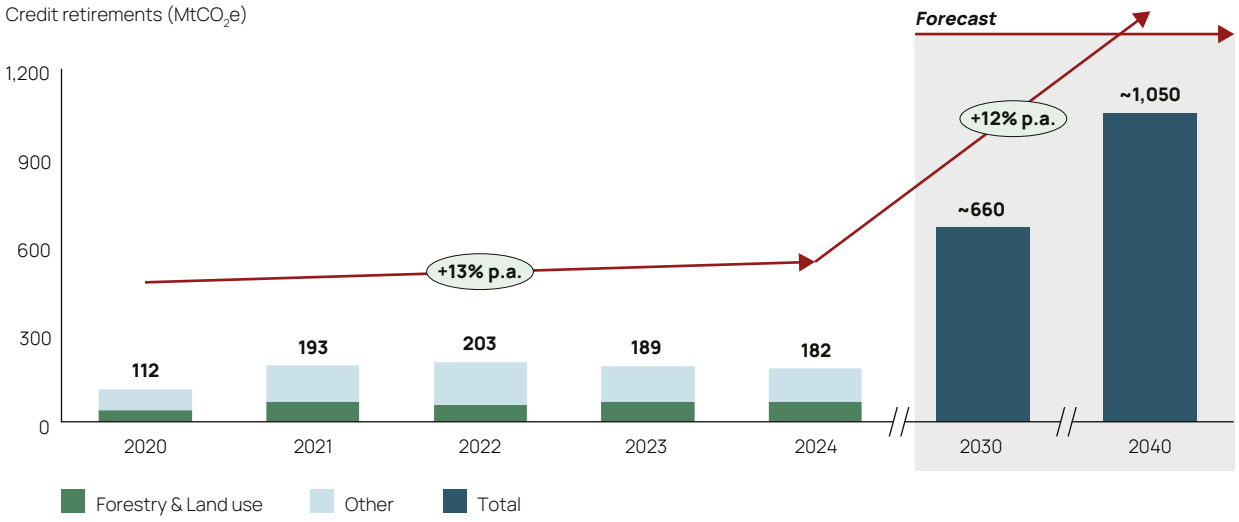
Carbon credits represent a further emerging adjacent revenue stream. A carbon credit is a tradable instrument representing one tonne of CO_2 (or equivalent GHG) reduced, avoided or sequestered by a verified project, with each purchased credit offsetting one tonne of excess emissions. The carbon credit market operates across two segments: a compliance market, where regulated companies trade emissions allowances to meet legally binding reduction targets, and a voluntary market, in which entities purchase credits to meet their own emission targets, driven by corporate climate ambition rather than legal obligations. Credits in the voluntary market are issued and tracked by independent registries such as Verra and Gold Standard. Forest owners may generate tradable credits through a range of eligible projects, including peatland rewetting or restoration, which restores carbon binding capacity in drained peat ecosystems; delayed harvest, which allows trees to store

1) Source: Market Study. Data based on Swedish Energy Agency and electricity output forecasts based on Swedish Energy Agency's long-term scenario analysis.
2) The electricity bidding zone (Sw. *elområde*) Sundsvall, one of four in Sweden, which encompasses north-central Sweden.
3) Source: Market Study, based on sources from Nord Pool, company information and Swedish Energy Agency. Electricity price data source Nord Pool.

additional CO_2 by extending the time between harvests; and afforestation and conservation initiatives, including conversion of selected stands to continuous cover forestry ("**CCF**") to preserve carbon stock. Credits are sold to corporate buyers seeking to offset emissions or meet sustainability targets via brokers, exchanges or direct long-term offtake agreements. Removal credits, including certain nature-based credits, attract buyer preference over avoidance-based credits due to their sequestration characteristics.

In 2024, the implied market value of forestry and land use carbon credits was USD 629 million[1], while European carbon credit transaction volumes accounted for approximately 1.5 percent[2] of global transaction volumes. North America currently leads the voluntary carbon market, with US forest owners already actively monetizing credits at scale. The European market remains in an early stage of development. The global voluntary carbon credit market grew at approximately 13 percent per annum between 2020 and 2024, peaking in 2022, and is forecast to grow at approximately 12 percent per annum through to 2040, driven by increasing corporate sustainability commitments globally. Forestry and land use credits accounted for approximately 37 percent of all global carbon credit retirements in 2024, making them the single largest category in the voluntary carbon market. Forestry and land use credits are generated by projects which reduce CO_2 emissions through reforestation, avoided deforestation and improved forest management.[3] Regulatory initiatives in Europe — including the expansion of the EU Emissions Trading System and the development of the EU Carbon Removal Certification Framework — are expected to support the gradual maturation of the European voluntary carbon market, increasing its relevance as a monetization channel for forest owners over time.

Global voluntary carbon credit market[4]



Bioenergy and biomass-related applications also represent an area of opportunity. Forest resources, including lower-grade wood, residues and by-products from forestry operations, may be utilized in the production of renewable heat and power or specialized niche bioproducts. In parallel, ongoing innovation is enabling the development of higher value-added applications, including biochemicals, textile fibers and bio-based materials that may substitute fossil-based products across multiple end-markets.[5]

Overall, these adjacent opportunities are supported by long-term structural drivers, including decarbonization, electrification and increasing demand for renewable materials and energy. While the relative contribution of such activities to total revenue may vary over time, they provide additional levers for value creation and contribute to the diversification and resilience of cash flows derived from forest ownership.

1) Implied market value of Forestry & Land use credits calculated as avg. transaction price (based on Ecosystem MarketPlace survey respondents) multiplied by retirement volume ($MtCO_2$ equivalents). Source: Market Study based on Project Drawdown, Allied Offsets and Ecosystem MarketPlace.
2) European credit transaction volumes / global credit transaction volumes based on Ecosystem MarketPlace survey respondents. Source: Market Study based on Project Drawdown, Allied Offsets and Ecosystem MarketPlace.
3) Source: Market Study based on Project Drawdown; Allied Offsets; Ecosystem MarketPlace.
4) Forecast directional, base case scenario as defined by Allied Offsets. Source: Market Study, based on Project Drawdown, Allied Offsets and Ecosystem MarketPlace.
5) Source: Market Study.



Selected financial information for Bergslagets Skogar

The following information should be read in conjunction with the section "*Operational and financial review*" and the Company's unaudited combined financial information including notes in the section "*Historical financial information*".

This section contains selected historical financial information derived from (i) Bergslagets Skogar's unaudited condensed combined interim financial information as at and for the nine-month period ended 30 September 2026, with comparable figures for the nine-month period ended 30 September 2025, which have been prepared in accordance with IAS 34 Interim financial reporting standard, and (ii) Bergslagets Skogar's unaudited combined financial statements as at and for the financial years ended 31 December 2025 and 2024, which have been prepared in accordance with IFRS® Accounting Standards, as adopted by the EU ("**IFRS Accounting Standards**"). The financial information of Bergslagets Skogar has been prepared under consideration of the principles for determining which assets, liabilities, revenues, expenses, and cash flows should be allocated to Bergslagets Skogar in the Demerger as described in Note 1 to the unaudited condensed combined interim financial information and the unaudited combined financial statements included in the section "*Historical financial information*". Bergslagets Skogar has not formed a separate legal group of entities during the periods presented. Thus, the combined financial information may not be indicative of Bergslagets Skogar's future performance and do not necessarily reflect what its combined income statement, balance sheet and cash flows would have been, had Bergslagets Skogar operated as a standalone consolidated group and had it therefore presented standalone consolidated financial information during the periods presented.

The Information Brochure presents certain financial measures that are not measures defined under IFRS Accounting Standards (see the section "*Selected financial information for Bergslagets Skogar – Definitions of alternative performance measures*" for a description of these and the reasons for their use). These alternative performance measures are used by management to monitor Bergslagets Skogar's operations. Stora Enso is of the opinion that these alternative performance measures provide valuable supplementary information to enable management, investors and other stakeholders to assess Bergslagets Skogar's performance. An alternative performance measure is defined as one that measures historical or future financial performance, financial position or cash flow but which excludes or includes amounts that would not be so adjusted in the most comparable IFRS measure. These alternative performance measures should not be considered in isolation or as a substitute to performance measures derived in accordance with IFRS Accounting Standards. In addition, such alternative performance measures, as defined by Stora Enso, may not be comparable to other similarly titled measures used by other companies. For a description of the calculation of alternative performance measures, see the section "*Selected financial information for Bergslagets Skogar – Reconciliation tables for alternative performance measures not defined under IFRS Accounting Standards*".

The amounts presented in this section have sometimes been rounded, which means that the sum of all the entries in the tables does not necessarily amount to the totals in the tables.

Combined income statement

	For the nine-month period ended 30 September		For the year ended 31 December	
SEK million	2026	2025	2025	2024
Sales	1,498	1,424	1,910	1,734
Other operating income	112	122	145	165
Materials and services	−715	−214	−293	−286
Personnel expenses	−234	−49	−79	−65
Other operating expenses	−178	−155	−209	−238
Change in net value of biological assets	33	−451	3,945	4,483
Depreciation, amortization and impairment charges	−34	−33	−48	−46
Operating profit	**482**	**643**	**5,371**	**5,747**
Share of results in joint ventures	−0	−0	−0	−1
Change in fair value of unlisted securities	−0	−0	0	0
Interest income	17	13	18	25
Investing items	**16**	**13**	**18**	**24**
Profit before financing and income tax	**498**	**656**	**5,389**	**5,771**
Interest expense	−107	−111	−147	−144
Financing items	**−107**	**−111**	**−147**	**−144**
Profit before tax	**391**	**545**	**5,241**	**5,628**
Current income tax	−164	−140	−183	−195
Deferred income tax	81	36	−890	−971
Income tax	−83	−104	−1,073	−1,166
Net profit for the period	**308**	**441**	**4,169**	**4,462**
Net profit attributable to				
Owners of Bergslagets Skogar	308	441	4,169	4,462

Combined statement of financial position

SEK million	2026-09-30	2025-09-30	2025-12-31	2024-12-31	2024-01-01
Assets					
Software	59	58	63	50	28
Property, plant and equipment	374	351	358	362	355
Right-of-use assets	0	1	1	1	1
Forest assets					
Biological assets	49,175	45,159	48,985	45,370	40,689
Forest land	14,575	17,334	13,443	17,100	19,890
Investments in joint ventures	14	11	11	0	0
Unlisted securities	28	28	28	20	20
Non-current interest-bearing receivables, related party	–	–	–	182	182
Other non-current financial assets	4	4	4	2	2
Non-current assets	**64,229**	**62,946**	**62,894**	**63,087**	**61,166**
Inventories	393	154	829	161	145
Tax receivables	2	1	1	0	3
Operative receivables	756	490	426	476	105
Current interest-bearing receivables, related party	816	888	1,299	1,005	967
Cash and cash equivalents	208	20	20	1	0
Current assets	**2,176**	**1,552**	**2,574**	**1,643**	**1,220**
Total assets	**66,405**	**64,498**	**65,468**	**64,730**	**62,386**
Equity and liabilities					
Share capital	–	–	–	–	–
Other contributed capital	27,424	27,835	27,813	28,369	29,126
Revaluation reserve	9,192	11,396	8,294	11,216	13,418
Translation reserve	–2	–1	–2	1	–
Retained earnings including net profit for the period	8,938	4,903	8,631	4,462	–
Equity attributable to owners of Bergslagets Skogar	**45,553**	**44,133**	**44,736**	**44,047**	**42,543**
Provisions	295	321	316	343	356
Deferred tax liabilities	13,080	12,809	12,929	12,798	12,398
Non-current interest-bearing liabilities, related party	6,000	6,000	6,000	6,000	6,000
Non-current liabilities	**19,375**	**19,129**	**19,245**	**19,141**	**18,754**
Lease liabilities	0	1	1	1	1
Current financial liabilities, related party	880	866	1,170	1,229	784
Provisions	160	128	136	127	137
Operative liabilities	428	241	180	184	167
Tax liabilities	8	0	0	0	–
Current liabilities	**1,477**	**1,235**	**1,487**	**1,542**	**1,088**
Total equity and liabilities	**66,405**	**64,498**	**65,468**	**64,730**	**62,386**

Combined statement of cash flows

SEK million	For the nine-month period ended 30 September 2026	For the nine-month period ended 30 September 2025	For the year ended 31 December 2025	For the year ended 31 December 2024
Cash flow from operating activities				
Operating profit	482	643	5,371	5,747
Adjustments and reversal of non-cash items:				
Depreciation and impairment charges	34	33	48	46
Change in net value of biological assets	–33	451	–3,945	–4,483
Profits and losses on sale of fixed assets and investments	–12	–42	–43	–41
Other adjustments	449[1)]	78	107	113
Income taxes paid	–157	–140	–183	–192
Provisions paid	–20	–100	–125	–136
Change in net working capital	–76	50	14	–370
Net cash from operating activities	**666**	**973**	**1,242**	**683**
Cash flow from investing activities				
Investments in joint ventures	–3	–10	–11	–1
Acquisition of unlisted securities	–	–9	–9	–
Cash flow on disposal of subsidiary shares and business operations, net of disposed cash	–	40	40	–
Cash flow on disposal of software and property, plant and equipment	14	8	9	47
Capital expenditure of software and property, plant and equipment	–44	–37	–64	–80
Investment in forest assets	–231	–259	–368	–272
Disposal of forest assets	73	12	40	92
Interest received	17	13	18	25
Proceeds from non-current receivables	–	182	182	0
Payment of non-current receivables	–	–2	–2	–
Net cash used in investing activities	**–175**	**–62**	**–166**	**–189**
Cash flow from financing activities				
Change in cash pool, related party	483	116	–295	–50
Change in liabilities, related party	–254	–327	–59	457
Group contribution (distribution) to Remaining Stora Enso Group, net	–870	–856	–1,108	–1,202
Capital contribution received from Remaining Stora Enso Group	310	–	410	–
Equity financing with Remaining Stora Enso Group, net	171	322	142	445
Interest paid to Remaining Stora Enso Group	–142	–147	–147	–144
Net cash used in financing activities	**–303**	**–892**	**–1,057**	**–494**
Net change in cash and cash equivalents	**188**	**19**	**19**	**0**
Net cash and cash equivalents at beginning of year	20	1	1	0
Net cash and cash equivalents at end of period	**208**	**20**	**20**	**1**

1) Where of SEK 426 million is related to non-cash cost of storm damaged timber sold. For further details, see Note 2 and Note 6 in the condensed combined interim financial information for the period ended 30 September 2026.

Alternative performance measures and key performance indicators

	As at and for the nine-month period ended 30 September		As at and for the year ended 31 December	
SEK million (unless otherwise stated)	2026	2025	2025	2024
Total net sales[1]	1,610	1,546	2,055	1,898
Gross wood sales[1]	1,810	1,604	2,212	2,015
Adjusted operating profit[1), 2)]	1,082	1,049	1,378	1,246
Adjusted operating profit margin (%)[1]	67	68	67	66
Free cash flow[1]	776	880	1,088	621
Free cash flow R12[1), 3)]	984	1,174*	1,088	621
Free cash flow return (%)[1), 3)]	1.6	1.9	1.7	1.0
Earnings per share (basic and diluted), SEK[1]	0.39	0.56	5.29	5.66
Adjusted net income[1]	619	594	783	704
Adjusted earnings per share, SEK[1]	0.79	0.75	0.99	0.89
Pay-out ratio (%)[1]	n.a.	n.a.	n.a.	n.a.
Net debt[1), 4)]	n.m.	n.m.	n.m.	n.m.
Loan-to-value, net[1), 4)]	n.m.	n.m.	n.m.	n.m.
Net asset value[1), 4)]	n.m.	n.m.	n.m.	n.m.
Net asset value per share, SEK[1), 4)]	n.m.	n.m.	n.m.	n.m.
Harvested volumes, million m^3 sub[5)]	2.7	2.1	2.9	2.9
Standing stock, million m^3fo[5)]	136.9	134.4	133.3	133.0

1) Alternative performance measures.
2) Management performance measures (for further information on the management performance measures, see note 6 in the condensed combined interim financial information for the nine-month period ended 30 September 2026 and note 27 in the combined financial statements for 2025 and 2024 included in the section "*Historical financial information*").
3) Rolling twelve months.
4) Not meaningful (n.m.) due to change in capital structure at listing.
5) Key performance indicator.
* Calculated as the year-to-date period from 1 January 2025 to 30 September 2025, annualized.

Definitions of alternative performance measures

Financial measure	Description	Reason for use of the measure
Total net sales	Sales adding other operating income.	Used by management to analyze and follow up the business sales development.
Gross wood sales	Wood delivery stumpage sales adding the buyers' harvesting costs for felling of sold trees.	Used by management to analyze the gross wood sales as price lists are set for standing trees before cost of harvesting.
Adjusted operating profit	Operating profit or loss adjusted for items affecting comparability, profits and losses on sale of fixed assets and investments and net value changes of biological assets.	Used by management to analyze the business and, from time to time, for short-term and long-term target setting.
Items affecting comparability (IAC)	Items affecting comparability are items that are either not expected to arise in future reporting periods or considered by management not to be a part of the underlying core business activities, and include e.g. larger non-recurring income, larger restructuring initiatives, loss or additional cost due to natural events, environmental provision, and separation and listing costs, having a significant impact on the comparability.	Items affecting comparability are used by management to explain variations in historical profitability. Separate reporting and specification of items affecting comparability enables the users of the financial information to understand and evaluate the adjustments made by management.

Financial measure	Description	Reason for use of the measure
Adjusted operating profit margin (%)	Operating profit or loss adjusted for items affecting comparability, profits and losses on sale of fixed assets and investments and changes in net value of biological assets divided by the sum of sales and other operating income.	Used by management to analyze the business and, from time to time, for short-term and long-term target setting.
Free cash flow	Adjusted operating profit, adjusted for depreciation, amortization and impairment charges, capex of software and property, plant and equipment, investments in reforestation, lease payments and change in net working capital.	Used by management to assess the cash-generating capacity of the operations after the investments required to sustain and develop the forest asset base.
Free cash flow R12	Rolling twelve months adjusted operating profit, adjusted for depreciation, amortization and impairment charges, capex of software and property, plant and equipment, investments in reforestation, lease payments and change in net working capital.	Used by management to assess the cash-generating capacity of the operations over a twelve-month period after the investments required to sustain and develop the forest asset base.
Free cash flow return (%)	Free cash flow R12 divided by annual average forest assets fair value.	Bergslagets Skogar measures its cash flow generation in relation to average forest assets.
Earnings per share, SEK	Net profit or loss for the period divided by the number of shares expected to be issued at Demerger based on the current number of shares in Stora Enso Oyj.	Earnings per share is used by investors to evaluate the performance of Bergslagets Skogar.
Adjusted net income	Net profit or loss for the period excluding change in net value of biological assets, profits and losses on sale of fixed assets and investments and items affecting comparability less investments in reforestation of biological assets after tax.	Bergslagets Skogar's dividend policy is to pay a stable and growing dividend. As ordinary dividend, Bergslagets Skogar intends to distribute between 80 to 100 percent of adjusted net income.
Adjusted earnings per share, SEK	Adjusted net income divided by the number of shares expected to be issued at Demerger based on the current number of shares in Stora Enso Oyj.	Adjusted earnings per share is used by investors to evaluate the performance of Bergslagets Skogar.
Pay-out ratio (%)	Dividends (Year 1) divided by weighted average number of shares (Year 1) divided by Adjusted earnings per share (Year 0).	Bergslagets Skogar's dividend policy is to pay a stable and growing dividend. As ordinary dividend, Bergslagets Skogar intends to distribute between 80 to 100 percent of adjusted net income.
Net debt	Total financial liabilities minus interest-bearing assets.	Used for long-term Group financial targets setting.
Loan-to-value, net	Net debt divided by total forest assets.	Used for long-term Group financial targets setting.
Net asset value	Equity attributable to owners of Bergslagets Skogar and deferred tax liabilities.	Net asset value is used to measure the underlying value of the forest assets and other net assets attributable to shareholders, excluding the impact of deferred tax liabilities.
Net asset value per share, SEK	Net asset value divided by number of shares expected to be issued at Demerger based on the current number of shares in Stora Enso Oyj.	Net asset value is used to measure the underlying value of the forest assets and other net assets attributable to shareholders, excluding the impact of deferred tax liabilities per share.

Reconciliation tables for alternative performance measures not defined under IFRS Accounting Standards

Total net sales

	For the nine-month period ended 30 September		For the financial year ended 31 December	
SEK million	2026	2025	2025	2024
Sales	1,498	1,424	1,910	1,734
(+) Other operating income	112	122	145	165
Total net sales	**1,610**	**1,546**	**2,055**	**1,898**

Gross wood sales

	For the nine-month period ended 30 September		For the financial year ended 31 December	
SEK million	2026	2025	2025	2024
Wood delivery stumpage sales[1)]	1,299	1,226	1,700	1,536
(+) Buyers' harvesting costs	511	378	512	479
Gross wood sales	**1,810**	**1,604**	**2,212**	**2,015**

1) See Note 2 in the condensed combined interim financial information for the period ended 30 September 2026 and Note 3 in the section "*Historical financial information*" for financial year 2024 and 2025.

Adjusted operating profit[1)]

	Before tax				Income tax effect				After tax			
	For the nine-month period ended 30 September		For the financial year ended 31 December		For the nine-month period ended 30 September		For the financial year ended 31 December		For the nine-month period ended 30 September		For the financial year ended 31 December	
SEK million	2026	2025	2025	2024	2026	2025	2025	2024	2026	2025	2025	2024
Operating profit	482	643	5,371	5,747								
(+/–) Change in net value of biological assets	–33	451	–3,945	–4,483	7	–93	813	924	–26	358	–3,132	–3,560
(–/+) Profits and losses on sale of fixed assets and investments	–12	–42	–43	–41	2	9	9	8	–9	–33	–34	–33
(+/–) Items affecting comparability	644	–3	–5	23	–133	1	1	–5	512	–3	–4	18
Adjusted operating profit	**1,082**	**1,049**	**1,378**	**1,246**								

1) For information on the management performance measures, see Note 6 in the condensed combined interim financial information for the nine-month period ended 30 September 2026 and Note 27 in the section "*Historical financial information*" for financial year 2024 and 2025.

The income tax effect in the reconciliation above is computed using the statutory tax rate in Sweden of 20.6% for each period.

Items affecting comparability (IAC)

	Before tax				Income tax effect				After tax			
	For the nine-month period ended 30 September		For the financial year ended 31 December		For the nine-month period ended 30 September		For the financial year ended 31 December		For the nine-month period ended 30 September		For the financial year ended 31 December	
SEK million	2026	2025	2025	2024	2026	2025	2025	2024	2026	2025	2025	2024
Restructuring[1]	25			3	–5			–1	20			2
Cost of storm damaged timber[2]	426				–88				338			
Environmental provisions[3]	–2	–3	–5	20	0	1	1	–4	–1	–3	–4	16
Storm damage[4]	109				–23				87			
Separation and listing cost[3]	85				–18				68			
Total	**644**	**–3**	**–5**	**23**					**512**	**–3**	**–4**	**18**

1) Affecting personnel expenses.
2) Affecting materials and services.
3) Affecting other operating expenses.
4) Affecting sales (SEK 99 million) and materials and services (SEK 10 million).

The income tax effect in the reconciliation above is computed using the statutory tax rate in Sweden of 20.6% for each period.

Adjusted operating profit margin (%)

	For the nine-month period ended 30 September		For the financial year ended 31 December	
SEK million	2026	2025	2025	2024
Adjusted operating profit	1,082	1,049	1,378	1,246
(÷) Total net sales	1,610	1,546	2,055	1,898
Adjusted operating profit margin (%)	**67**	**68**	**67**	**66**

Free cash flow

	For the nine-month period ended 30 September		For the financial year ended 31 December	
SEK million	2026	2025	2025	2024
Operating profit	482	643	5,371	5,747
(+/–) Change in net value of biological assets	–33	451	–3,945	–4,483
(–/+) Profits and losses on sale of fixed assets and investments	–12	–42	–43	–41
(+/–) Items affecting comparability	644	–3	–5	23
Adjusted operating profit	**1,082**	**1,049**	**1,378**	**1,246**
(+) Depreciation, amortization and impairment charges	34	33	48	46
(–) Capital expenditure of software and property, plant and equipment	–44	–37	–64	–80
(–) Investment in reforestation	–218	–215	–286	–219
(–) Lease payments	–0	–0	–0	–0
(+/–) Change in net working capital	–76	50	14	–370
Free cash flow	**776**	**880**	**1,088**	**621**

Free cash flow R12

	For the twelve-month period ended 30 September		For the financial year ended 31 December	
SEK million	**2026**	**2025***	**2025**	**2024**
Operating profit	5,210	857	5,371	5,747
(+/–) Change in net value of biological assets	–4,429	601	–3,945	–4,483
(-/+) Profits and losses on sale of fixed assets and investments	–13	–56	–43	–41
(+/–) Items affecting comparability	643	–4	–5	23
Adjusted operating profit	**1,411**	**1,398**	**1,378**	**1,246**
(+) Depreciation, amortization and impairment charges	48	45	48	46
(–) Capital expenditure of software and property, plant and equipment	–72	–49	–64	–80
(–) Investment in reforestation	–289	–286	–286	–219
(–) Lease payments	–0	–0	–0	–0
(+/–) Change in net working capital	–113	67	14	–370
Free cash flow R12	**984**	**1,174**	**1,088**	**621**

* Calculated as the year-to-date period from 1 January 2025 to 30 September 2025, annualized.

Free cash flow return (%)

	For the twelve-month period ended 30 September		For the financial year ended 31 December	
SEK million	**2026**	**2025**	**2025**	**2024**
Free cash flow R12	984	1,174*	1,088	621
(÷) Average forest assets	63,089	62,482*	62,449	61,525
Free cash flow return (%)	**1.6**	**1.9**	**1.7**	**1.0**

* Calculated as the year-to-date period from 1 January 2025 to 30 September 2025, annualized.

Average forest assets

	For the twelve-month period ended 30 September		For the financial year ended 31 December	
SEK million	**2026**	**2025**	**2025**	**2024**
Biological assets	48,985	45,370*	45,370	40,689
Forest land	13,443	17,100*	17,100	19,890
Forest assets – opening balance	**62,428**	**62,470***	**62,470**	**60,579**
Biological assets	49,175	45,159	48,985	45,370
Forest land	14,575	17,334	13,443	17,100
Forest assets – closing balance	**63,750**	**62,493**	**62,428**	**62,470**
Average forest assets (opening balance + closing balance) / 2	**63,089**	**62,482***	**62,449**	**61,525**

* Opening balance 1 January 2025.

Earnings per share, SEK

SEK million	For the nine-month period ended 30 September		For the financial year ended 31 December	
	2026	2025	2025	2024
Net profit for the period attributable to the owners of Bergslagets Skogar	308	441	4,169	4,462
Weighted average number of shares[1)]	788,619,987	788,619,987	788,619,987	788,619,987
Weighted average number of share awards	–	–	–	–
(÷) Number of shares	788,619,987	788,619,987	788,619,987	788,619,987
Earnings per share (basic and diluted), SEK	**0.39**	**0.56**	**5.29**	**5.66**

1) Number of shares equals the number of shares in Bergslagets Skogar AB planned to be outstanding at listing based on current number of shares in Stora Enso Oyj.

Adjusted net income

SEK million	Before tax				Income tax effect				After tax			
	For the nine-month period ended 30 September		For the financial year ended 31 December		For the nine-month period ended 30 September		For the financial year ended 31 December		For the nine-month period ended 30 September		For the financial year ended 31 December	
	2026	2025	2025	2024	2026	2025	2025	2024	2026	2025	2025	2024
Net profit for the period attributable to the owners of Bergslagets Skogar									308	441	4,169	4,462
(+/–) Excluding change in net value of biological assets	–33	451	–3,945	–4,483	7	–93	813	924	–26	358	–3,132	–3,560
(–/+) Profits and losses on sale of fixed assets and investments	–12	–42	–43	–41	2	9	9	8	–9	–33	–34	–33
(+/–) Excluding items affecting comparability	644	–3	–5	23	–133	1	1	–5	512	–3	–4	18
(–) Investment in reforestation of biological assets[1)]	–208	–212	–270	–231	43	44	56	48	–165	–169	–215	–183
Adjusted net income									**619**	**594**	**783**	**704**

1) Total of investment in reforestation and reforestation reclassification in Note 3 in the condensed combined interim financial information for the nine-month period ended 30 September 2026.

The income tax effect in the reconciliation above is computed using the statutory tax rate in Sweden of 20.6% for each period.

Adjusted earnings per share, SEK

	For the nine-month period ended 30 September		For the financial year ended 31 December	
SEK million	**2026**	**2025**	**2025**	**2024**
Net profit for the period attributable to the owners of Bergslagets Skogar	308	441	4,169	4,462
(+/–) Excluding change in net value of biological assets after tax	–26	358	–3,132	–3,560
(–/+) Profits and losses on sale of fixed assets and investments after tax	–9	–33	–34	–33
(+/–) Excluding items affecting comparability after tax	512	–3	–4	18
(–) Investment in reforestation of biological assets after tax	–165	–169	–215	–183
Adjusted net income	**619**	**594**	**783**	**704**
(÷) Number of shares[1)]	788,619,987	788,619,987	788,619,987	788,619,987
Adjusted earnings per share, SEK	**0.79**	**0.75**	**0.99**	**0.89**

1) Number of shares equals the number of shares in Bergslagets Skogar AB planned to be outstanding at listing based on current number of shares in Stora Enso Oyj.

Pay-out ratio (%)

	For the nine-month period ended 30 September		For the financial year ended 31 December	
SEK million	**2026**	**2025**	**2025**	**2024**
Dividends	–	–	–	–
(÷) Number of shares[1)]	788,619,987	788,619,987	788,619,987	788,619,987
Dividend per share (DPS) paid	n.a.	n.a.	n.a.	n.a.
(÷) Adjusted earnings per share, SEK	0.79	0.75	0.99	0.89
Pay-out ratio (%)	**n.a.**	**n.a.**	**n.a.**	**n.a.**

1) Number of shares equals the number of shares in Bergslagets Skogar AB planned to be outstanding at listing based on current number of shares in Stora Enso Oyj.

Operational and financial review

This section should be read together with the information contained in the section "Selected financial information for Bergslagets Skogar" and (i) the Company's unaudited condensed combined interim financial information as at and for the nine-month period ended 30 September 2026, with comparable figures for the nine-month period ended 30 September 2025, which have been prepared in accordance with IAS 34 Interim financial reporting standard, and (ii) the Company's unaudited combined financial statements as at and for the financial years ended 31 December 2025 and 2024, which have been prepared in accordance with IFRS Accounting Standards and under consideration of the principles for determining which assets, liabilities, revenues, expenses, and cash flows should be allocated to Bergslagets Skogar in the Demerger as described in Note 1 to the unaudited condensed combined interim financial information and the unaudited combined financial statements, which are included in the section "Historical financial information".

The operational and financial review is intended to facilitate the understanding and evaluation of trends and fluctuations in the Group's financial performance. This section contains forward-looking statements. Such forward-looking statements are dependent on assumptions and subject to risks, uncertainties and other factors, including those set forth in the section "Risk factors", which could cause the Group's financial performance to differ materially from the financial performance expressed or implied in such forward-looking statements. See the section "Important information – Forward-looking statements and risk factors" for further information on forward-looking statements.

Overview

Upon the eventual completion of the Demerger, Bergslagets Skogar will own and manage approximately 1.22 million hectares of land with an estimated 136.9 million m³fo of standing volume, located in mid-Sweden.[1)] As at 30 September 2026, the fair value of Bergslagets Skogar's forest assets amounted to approximately SEK 63,750 million. The fair value of the Company's biological assets amounted to approximately SEK 49,175 million and the fair value of its forest land amounted to approximately SEK 14,575 million.

The Company is headquartered in Falun, Sweden. The Company's operations are built on long-term forest ownership and forest management. The business model is designed to preserve the long-term value of the forest while generating recurring cash flows with limited capital expenditure requirements. Positioned at the upstream end of the forestry value chain, the Company's core commercial activity is the sale of harvesting rights to industrial customers in the Swedish saw and pulp mill industry. This is complemented by a set of adjacent activities that arise from the Company's nursery operations and broader landholding, including external seedling sales, renewable energy land leases, selected land transactions and usufruct income. Together, these activities convert the Company's land holding into complementary cash flow streams across the cycle without changing the Company's core focus on long-term forest ownership. Besides its core operations, the Group also includes Falu Rödfärg, the traditional Swedish red wood paint produced from pigment originating at the Falun copper mine.

Provided that the EGM approves the Demerger Plan and resolves on the Demerger in accordance with the Demerger Plan, and that the Demerger is completed, Bergslagets Skogar will, following the Effective Date, be the parent company of the Group, which in addition to the Company will consist of nine directly or indirectly owned subsidiaries in Sweden.

1) Land holding as at 31 December 2025. Standing volume as at 30 September 2026.

Current trading and significant changes after 30 September 2026

Stora Enso, as guarantor, and Bergslagets Egendomar AB, as borrower, have during October 2026 entered into a SEK 6 billion senior secured facilities agreement and an up to SEK 3.5 billion secured facility agreement with certain Nordic lenders, pursuant to which new external financing is to be made available to be drawn down as of, or shortly after, the Effective Date by Bergslagets Egendomar AB. Stora Enso has entered into the SEK 6 billion facilities agreement and the SEK 3.5 billion facility agreement as a guarantor with respect to guarantees becoming effective as of the Effective Date, but the rights and obligations of Stora Enso under both financing agreements are to be transferred to, and will be binding towards, Bergslagets Skogar as a guarantor as of the Effective Date following which Stora Enso will be released from all liabilities thereunder. For further information, see the section "*Material agreements for Bergslagets Skogar – External financings*".

On 22 October 2026, Bergslagets Skogar entered into the WSA with Stora Enso. The WSA is valid for a period of 18 years following the Demerger. For further information, see the section "*Material agreements for Bergslagets Skogar – The wood sales agreement with Stora Enso*".

On 30 October 2026, it was announced that the Board of Directors of Stora Enso had approved the Demerger Plan. On 2 November 2026, Stora Enso announced that the Board of Directors of Stora Enso had decided to convene the EGM to be held on 15 December 2026 to resolve on the Demerger in accordance with the Demerger Plan. For further information, see the section "*Information regarding the Demerger*".

Other than the above, there have been no significant changes in the Group's financial position after 30 September 2026 up to and including the date of this Information Brochure. The Group's business is developing according to plan and in line with expectations for the full year 2026. In connection with the admission to trading of Bergslagets Skogar's shares on Nasdaq Stockholm and Nasdaq Helsinki, the Company will publish a prospectus which will include the full year financial information for the financial year 2026.

Operating segments

Operating segments are provided on a voluntary basis and reflect Bergslagets Skogar's management structure implemented in the financial year 2026 and the way financial information will be regularly reviewed on a standalone basis after the Demerger. There are three operating segments, Forest, Renewable Energy and Falu Rödfärg. Revenues, profit and assets in Renewable Energy and Falu Rödfärg respectively are less than 10 percent of the total and Bergslagets Skogar has elected to not present these as separate reportable segments but together with other business activities under the heading "Other".

Key factors affecting Bergslagets Skogar's results of operations and financial position

Bergslagets Skogar's financial development has been, and will likely continue to be, affected by a variety of factors, some of which are beyond Bergslagets Skogar's control. The most important of these factors are described below.

Wood prices and market conditions

Wood prices are one of the main drivers of Bergslagets Skogar's revenue and profitability. Prices for wood are subject to significant fluctuations affected by changes in capacity, production and demand for wood.

Change in valuation of forest assets

The total fair value of forest assets as at 31 December 2025 amounted to SEK 62,428 (2024: 62,470) million and is determined using a market approach based on transaction prices for forest properties in the regions where Bergslagets Skogar operates. Prices for individual forest properties vary mainly due to geographical location, the land's productivity, and the volume of standing stock. To account for these differences, the valuation is based on transaction prices relative to standing stock volumes, analyzed by geographical area ("**price areas**") that broadly correspond to mid-Swedish counties.

To ensure a sufficiently large and representative sample, the valuation incorporates forest property transactions over a rolling three-year period. The calculation is carried out by determining the 36-month market transaction price in each price area (SEK/m^3fo), and multiplying this price by the standing stock in the respective area to obtain the total forest asset fair value.

The market transaction price in each price area is calculated using detailed data from forest property transactions within that area. Bergslagets Skogar analyzes this transaction data to estimate the value of standing stock, based on representative forest properties included in the dataset. These representative properties typically have characteristics comparable to Bergslagets Skogar's forest land, such as similar standing stock per hectare and a significant proportion of their total value attributable to forest assets.

The method is considered to reflect market conditions at the reporting date and has been applied consistently over the years.

Market prices between areas vary significantly and judgment is applied to define relevant areas for market transactions used in valuation. The valuation of the forest assets is based on detailed transaction data and price statistics provided by independent market data suppliers. Judgment is applied when adjustments are made to reflect the specific characteristics and nature of Bergslagets Skogar's forest assets and to exclude certain non-forest assets and outlier transactions.

The total forest assets fair value is subsequently allocated between biological assets and forest land. Biological assets are recognized and measured in accordance with IAS 41 (Agriculture) at fair value, while forest land is recognized and measured at fair value using the revaluation model in IAS

16 (Property, plant and equipment). The allocation of the combined fair value is based on the income approach where the present values of expected net cash flows for both biological assets and forest land are calculated separately. Biological assets are measured at fair value based on discounted cash flows from continuous operations, taking into account growth potential of one cycle. Forest land is measured at fair value using the revaluation method, including net cash flows related to trees to be planted in the future as well as other land related income, such as wind power leases, hunting rights and soil material sales. Changes in the fair value of biological assets, net of deferred taxes, are recognized in the income statement. Changes in the fair value of forest land, net of deferred taxes, are recognized in other comprehensive income and accumulated in a revaluation reserve in equity.

The productive forest area in 2025 amounted to 1,003 (2024: 1,006) thousand hectares with a standing volume of 133.3 (2024: 133.0) million m³fo. The weighted three-year (36-month) average market transaction price applied in the valuation of Swedish forest assets in 2025 amounted to SEK 468 (2024: 470) per m³fo. The forest asset value amounted to SEK 62,428 (2024: 62,470) million.

As an illustration of the sensitivity of the valuation, a change in price of 5 percent per m³fo in the applied valuation price would change total forest asset value by approximately SEK 3,121 million, while a change of 1 percent in m³fo in standing stock volume would change total forest asset value by approximately SEK 624 million.

Given that forest assets represent a significant portion of Bergslagets Skogar's total assets and their valuation requires substantial judgment, there is an inherent uncertainty in Bergslagets Skogar's reported financial position.

Storm damage and natural events

Bergslagets Skogar's forests may be significantly damaged as a result of natural events, including storms, fires, droughts, floods, accidents or other calamities. Such incidents could result in loss of assets and additional costs to Bergslagets Skogar. A storm in the end of December 2025 had a negative impact on the biological assets, due to which, for the financial year 2025, SEK 635 million of biological assets were reclassified to inventory and SEK 321 million, through a write-down, reduced the change in net value of biological assets related to the damages. The final financial impact and any related insurance compensation was as at the end of the reporting period not fully known.

Seasonality

Harvesting and delivery operations are subject to seasonal variations, as wood supply is subject to seasonal changes, with higher sales in late spring and autumn, and lower sales during summer and winter periods. In particular, ground-bearing harvesting conditions are generally weaker during spring thaw and periods of heavy rainfall, which can constrain harvesting activity and delay deliveries to customers, affecting the timing of revenue recognition and cash flows within any financial year.

Key items in the income statement

The following is a brief description of the key line items in Bergslagets Skogar's income statement.

Sales

Sales comprise products, raw materials and services less indirect sales tax and discounts, and are recognized after Bergslagets Skogar has transferred the control of goods and services to a customer. Bergslagets Skogar sells wood mainly under delivery stumpage purchase contracts, under which the purchaser acquires the right to harvest standing trees and revenue is recognized at the time of harvesting. From time to time, Bergslagets Skogar has, as a part of Stora Enso, also sold wood under delivery wood contracts where Bergslagets Skogar took responsibility for harvesting and transporting the wood to an agreed place, such as a sawmill, pulp mill or a measurement station and revenue recognized at the time of delivery in accordance with the contract. Consequently, Bergslagets Skogar's performance obligations are different under delivery stumpage purchase contracts than under wood delivery contracts and the transaction price is therefore different, which is reflected in revenues recognized. Revenues from services are recognized over time as the service has been performed.

Other operating income

Other operating income comprises primarily rental income from land and water rights, gains on disposal of fixed assets, gains on disposal of group companies and business operations as well as other income, which include fees related to energy development, change in provisions and forestry operations including other charges such as road tolls and VAT adjustments for road cooperatives.

Materials and services

Materials and services comprise the costs for specialized forestry services purchased to support the forestry operations, as well as the cost of raw materials and consumables used in the production processes of the Falu Rödfärg and seedlings. Materials are recognized at cost and expensed as consumed in the production processes. The carrying amount of timber inventory is recognized as an expense when the related inventory is sold and services are expensed as incurred.

Personnel expenses

Personnel expenses comprise wages and salaries, pensions, other statutory employer costs and other voluntary costs related to the employees of the Group.

Other operating expenses

Other operating expenses comprise the management fee charged by Stora Enso, insurance expenses, lease expenses, credit losses, losses on disposal of fixed assets, provision changes and other expenses.

Historically, Bergslagets Skogar has benefited from a range of headquarters, administrative and support services provided by Stora Enso, including group strategy, treasury and financing activities, accounting and financial reporting support, tax, legal, human resources, communication and

information technology services. The allocated expenses reflected in the combined financial information are based on the arrangements that existed within Stora Enso and may not be indicative of the costs that Bergslagets Skogar would have incurred had it operated as a standalone entity, nor of the cost structure that may prevail in the future.

Change in net value of biological assets

Changes in the net value of biological assets correspond to the difference between the fair value of the biological assets on the reporting date and on the comparison date not explained by investment, disposal and reclassifications. Biological assets consist of standing trees to be sold for use as raw materials for pulp and mechanical wood production and as biofuels and are measured at fair value in accordance with IAS 41. The fair value is based on discounted cash flows from continuous operations, taking into account growth potential of one cycle. Changes in the fair value of biological assets are recognized in the income statement.

Depreciation, amortization and impairment charges

Depreciation, amortization and impairment charges refer mainly to property, plants and equipment used in the production. Please refer to Note 10 in the Company's unaudited combined financial statements as at and for the financial years ended 31 December 2025 and 2024 in the section "*Historical financial information*" for additional details.

Interest income

Interest income comprises interest received on cash pool accounts.

Interest expense

Interest expense comprises interest to Remaining Stora Enso Group on a SEK 6 billion loan and interest on cash pool accounts in the covered periods. Interest expense does not include interest on external financing that will be formed in connection with the Effective Date. The future financing structure may differ materially from the current financing. See the section "*Material agreements for Bergslagets Skogar – Financing arrangements*" for more information on the future financing structure following the Demerger.

Income tax

Income tax expenses comprise current tax, adjustments of previous periods and deferred tax.

Results of operations of the Group

The following tables present Bergslagets Skogar's selected combined financial information derived from the Company's unaudited condensed combined interim financial information as at and for the nine-month period ended 30 September 2026, with comparables for the nine-month period ended 30 September 2025 and the Company's unaudited combined income statement as at and for the years ended 31 December 2025 and 2024.

Combined income statement data of the Group

	For the nine-month period ended 30 September		For the financial year ended 31 December	
SEK million	2026[1]	2025[1]	2025[2]	2024[2]
Sales	1,498	1,424	1,910	1,734
Other operating income	112	122	145	165
Materials and services	–715	–214	–293	–286
Personnel expenses	–234	–49	–79	–65
Other operating expenses	–178	–155	–209	–238
Change in net value of biological assets	33	–451	3,945	4,483
Depreciation, amortization and impairment charges	–34	–33	–48	–46
Operating profit	**482**	**643**	**5,371**	**5,747**
Share of results in joint ventures	–0	–0	–0	–1
Change in fair value of unlisted securities	–0	–0	0	0
Interest income	17	13	18	25
Investing items	16	13	18	24
Profit before financing and income tax	**498**	**656**	**5,389**	**5,771**
Interest expense	–107	–111	–147	–144
Financing items	–107	–111	–147	–144
Profit before tax	**391**	**545**	**5,241**	**5,628**
Current income tax	–164	–140	–183	–195
Deferred income tax	81	36	–890	–971
Income tax	–83	–104	–1,073	–1,166
Net profit for the period	**308**	**441**	**4,169**	**4,462**

1) Data has been derived from the Company's unaudited condensed combined interim financial information as at and for the nine-month period ended 30 September 2026 with comparable figures for the nine-month period ended 30 September 2025.
2) Data has been derived from the Company's unaudited combined financial statements as at and for the financial years ended 31 December 2025 and 2024.

The nine-month period ended 30 September 2026 compared to the nine-month period ended 30 September 2025

Sales

The sales of the Group for the nine-month period ended 30 September 2026 were SEK 1,498 million, which was an increase of SEK 74 million, or 5.2 percent, as compared to SEK 1,424 million for the nine-month period ended 30 September 2025. The increase was primarily driven by higher volumes across the majority of the materials. The positive volume development was partly offset by lower sales prices, with moderate price decreases across most material categories. Sales of seed and seedling as well as sales of Falu Rödfärg were stable between the periods. Abnormally high harvesting costs incurred by the buyer of SEK 99 million due to storm damage, which in wood delivery stumpage sales contracts, is brought forward to the seller through price reductions had a negative impact on the sales.

Sales by category	For the nine-month period ended 30 September		Change	
SEK million	2026	2025	SEK million	%
Wood delivery stumpage sales	1,299	1,226	73	6.0
Seed and seedlings sales	99	98	1	1.0
Falu Rödfärg	101	100	1	1.0
Sales	**1,498**	**1,424**	**74**	**5.2**

Other operating income

Other operating income of the Group for the nine-month period ended 30 September 2026 was SEK 112 million, which was a decrease of SEK 10 million, or 8.1 percent, as compared to SEK 122 million for the nine-month period ended 30 September 2025. The decrease was primarily attributable to a gain on the sale of shares in subsidiaries recognized in the nine-month period ended 30 September 2025. This was partly offset by higher gains from disposals of land and water areas in the nine-month period ended 30 September 2026.

Materials and services

Costs for materials and services for the Group for the nine-month period ended 30 September 2026 were SEK 715 million, which was an increase of SEK 501 million, or 234.4 percent, as compared to SEK 214 million for the nine-month period ended 30 September 2025. The increase was primarily driven by the impact of the storm Johannes in December 2025. As a result of the storm, SEK 635 million of biological assets were transferred to inventory in December 2025, of which SEK 426 million was sold during the first nine months of 2026 and recognized as costs for materials and services. In addition, SEK 10 million of additional costs related to the storm-damaged forest were recognized as costs for materials and services. The increase was also driven by a high level of forest operations during the first nine months of 2026, primarily reflecting increased harvesting volumes.

Personnel expenses

Personnel expenses for the Group for the nine-month period ended 30 September 2026 were SEK 234 million, which was an increase of SEK 185 million, or 373.3 percent, as compared to SEK 49 million for the nine-month period ended 30 September 2025. The increase was mainly a result of a significant increase in the number of employees on 1 December 2025 when the number of employees increased from approximately 100 to 300 when personnel previously employed by Stora Enso were transferred to Bergslagets Skogar as preparation for the Demerger. Due to the transfer of employees on 1 December 2025 personnel expenses are higher, and material and services are lower after this date.

Other operating expenses

Other operating expenses of the Group for the nine-month period ended 30 September 2026 amounted to SEK 178 million, which was an increase of SEK 23 million, or 14.6 percent, as compared to SEK 155 million for the nine-month period ended 30 September 2025. The increase was primarily attributable to higher external consultancy costs incurred in connection with the establishment of Bergslagets Skogar, including costs related to the organizational restructuring and the build-up of the new organization.

Change in net value of biological assets

The change in net value of biological assets of the Group for the nine-month period ended 30 September 2026 amounted to SEK 33 million, which was an increase of SEK 484 million, as compared to SEK (451) million for the nine-month period ended 30 September 2025. The change in net value of biological assets was attributable to a SEK 511 million higher increase due to inflation plus higher unrealized change in fair value of SEK 143 million, partly countered by a higher decrease of SEK (170) million due to harvesting.

Depreciation, amortization and impairment charges

Depreciation, amortization and impairment charges of the Group for the nine-month period ended 30 September 2026 amounted to SEK 34 million, compared to SEK 33 million for the nine-month period ended 30 September 2025, and thus remained broadly stable year on year.

Interest income
Interest income for the Group for the nine-month period ended 30 September 2026 amounted to SEK 17 million, which was an increase of SEK 3 million, or 24.1 percent, compared to SEK 13 million for the nine-month period ended 30 September 2025. The increase was primarily attributable to higher interest income from the cash pool, driven by higher cash pool balances.

Interest expense
Interest expense for the Group for the nine-month period ended 30 September 2026 amounted to SEK 107 million, which was a decrease of SEK 5 million, or 4.1 percent, compared to SEK 111 million for the nine-month period ended 30 September 2025. The decrease was primarily attributable to fluctuations in cash pool liabilities during the period, as balances at the respective reporting dates were broadly unchanged.

Income tax
The income tax expense of the Group for the nine-month period ended 30 September 2026 amounted to SEK 83 million, compared to SEK 104 million for the nine-month period ended 30 September 2025. The effective tax rate was 21.3 percent as compared to 19.1 percent for the nine-month period ended 30 September 2025. The change was primarily attributable to non-taxable gains on sale of renewable energy projects in 2025.

Net result for the period
The Group's net result for the nine-month period ended 30 September 2026 amounted to SEK 308 million, which was a decrease of SEK 133 million, or 30.2 percent, as compared to SEK 441 million for the nine-month period ended 30 September 2025. The decrease was primarily a result of more negative items affecting comparability (SEK 647 million, including costs of storm damaged timber, additional costs of harvesting as a consequence of the storm as well as restructuring and separation and listing costs), which was not in full compensated by more positive changes in net value of biological asset (SEK 484 million).

The financial year 2025 compared to the financial year 2024

Sales
The sales of the Group for the financial year 2025 were SEK 1,910 million, which was an increase of SEK 177 million, or 10.2 percent, as compared to SEK 1,734 million for the financial year 2024. The increase was primarily driven by higher wood prices while volumes remained broadly stable. Sales of seed and seedling decreased slightly with sales of Falu Rödfärg growing significantly.

The following table presents the Group's sales by category for the financial years ended 31 December 2025 and 2024.

Sales by category	For the financial year ended 31 December		Change	
SEK million	2025	2024	SEK million	%
Wood delivery stumpage sales	1,700	1,536	163	10.6
Seed and seedlings sales	107	114	–7	–5.8
Falu Rödfärg	104	84	20	23.9
Sales	**1,910**	**1,734**	**177**	**10.2**

Other operating income
Other operating income of the Group for the financial year 2025 was SEK 145 million, which was a decrease of SEK 20 million, or 12.2 percent, as compared to SEK 165 million for the financial year 2024. The decrease was mainly a result of lower release of environmental provision and lower gains on disposal of fixed assets, offset by a gain from the gain on disposal of group companies and business operations.

Other operating income data of the Group	For the financial year ended 31 December		Change	
SEK million	2025	2024	SEK million	%
Rental income land & water	60	60	–0	–0.3
Gains on disposal of fixed assets	4	47	–43	–92.0
Gains on disposal of group companies and business operations	40	–	40	n.a.
Provision changes in income statement	5	27	–22	–82.0
Forestry operations	36	31	5	17.8
Total	**145**	**165**	**–20**	**–12.2**

Materials and services

Materials and services expenses of the Group for the financial year 2025 were SEK 293 million, which was an increase of SEK 8 million, or 2.6 percent, as compared to SEK 286 million for the financial year 2024. The increase was primarily driven by higher road costs in line with increased activity levels and cost inflation.

Materials and services data of the Group	For the financial year ended 31 December		Change	
SEK million	2025	2024	SEK million	%
Materials and supplies	190	186	4	2.1
Change in inventories	–14	–1	–13	2,496.0
Freight costs	7	7	0	0.5
Forestry expenses	98	81	17	20.8
Other production related costs	12	12	–0	–1.9
Total	**293**	**286**	**8**	**2.6**

Personnel expenses

Personnel expenses for the Group for the financial year 2025 were SEK 79 million, which was an increase of SEK 14 million, or 21.4 percent, as compared to SEK 65 million for the financial year 2024. The increase was mainly a result of a significant increase in the number of employees on 1 December 2025 when the number of employees increased from approximately 100 to 300 when personnel previously employed by Stora Enso were transferred to Bergslagets Skogar as preparation for the Demerger. Due to the transfer of employees on 1 December 2025 personnel expenses are higher, and material and services are lower after this date.

Other operating expenses

Other operating expenses of the Group for the financial year 2025 was SEK 209 million, which was a decrease of SEK 29 million, or 12.2 percent, as compared to SEK 238 million for the financial year 2024. The decrease was driven by lower environmental provision, offset by higher consultancy costs.

Change in net value of biological assets

The change in net value of biological assets for the financial year 2025 amounted to SEK 3,945 million, which was a decrease of SEK 538 million, or 12.0 percent, as compared to SEK 4,483 million for the financial year 2024. The decrease comes from the storm write-down of SEK (321) million, changes due to harvesting of SEK (179) million, and drop in unrealized fair value gains of SEK (38) million.

Depreciation, amortization and impairment charges

Depreciation, amortization and impairment charges for the financial year 2025 amounted to SEK 48 million, which was an increase of SEK 2 million, or 4.7 percent, as compared to SEK 46 million for the financial year 2024. The increase was primarily driven by higher capitalized asset base and ongoing investments in operational infrastructure.

Interest income

Interest income of the Group for the financial year 2025 amounted to SEK 18 million, which was a decrease of SEK 7 million, or 28.0 percent, as compared to SEK 25 million for the financial year 2024. The decrease was primarily attributable to the level of cash pool receivable during the year but also due to the repayment of a non-current interest-bearing receivable amounting to SEK 182 million which reduced interest income.

Interest expense

Interest expense of the Group for the financial year 2025 amounted to SEK 147 million, which was an increase of SEK 4 million, or 2.6 percent, as compared to SEK 144 million for the financial year 2024. The increase was primarily attributable to an increase of cash pool liability during the year.

Income tax

The income tax expense of the Group for the financial year 2025 amounted to SEK 1,073 million with an effective tax rate of 20.5 percent, compared to SEK 1,166 million for the financial year 2024 with an effective tax rate of 20.7 percent. The difference in effective tax rate in 2025 was primarily attributable to non-taxable gain on sale of renewable energy projects and in 2024 to adjustments of prior year's taxes.

Net profit for the year

The Group's net profit for the financial year 2025 amounted to SEK 4,169 million, which was a decrease of SEK 293 million, or 6.6 percent, as compared to SEK 4,462 million for the financial year 2024. The decrease was primarily attributable to lower changes in net value of biological assets, offset by increased sales and lower income tax expense.

Liquidity and capital resources

Liquidity

The Group's principal source of liquidity has historically been cash pool arrangements and intercompany loans managed centrally by Stora Enso. Ahead of the Demerger, the Group will make its own cash pool arrangements. The Group's principal uses of funds during the periods under review have been working capital and capital expenditure, funded mainly through cash pool arrangements and intercompany loans. As at 30 September 2026, the Group's cash and cash equivalents amounted to SEK 208 million.

Bergslagets Skogar is at 30 September 2026 financed via Stora Enso Group and has current interest-bearing receivables on related parties (comprising cash pool receivables) totaling SEK 816 million, compared to current interest-bearing liabilities from related parties totaling SEK 880 million (comprising group contribution liability (SEK 870 million) and accrued interest on a related party loan (SEK 10 million)).

For information on the financing arrangements available to the Group following the Effective Date, please see the section "*Material agreements for Bergslagets Skogar – Financing arrangements*".

Cash flow

The following table presents selected combined cash flow data of the Group derived from the Company's unaudited condensed combined interim financial information as at and for the nine-month period ended 30 September 2026, with comparable figures for the nine-month period ended 30 September 2025, and from the Company's unaudited combined financial statements as at and for the financial years ended 31 December 2025 and 2024.

Selected combined cash flow data	For the nine-month period ended 30 September		For the financial year ended 31 December	
SEK million	2026	2025	2025	2024
Cash and cash equivalents at beginning of the period	**20**	**1**	**1**	**0**
Net cash from operating activities	666	973	1,242	683
Net cash used in investing activities	–175	–62	–166	–189
Net cash used in financing activities	–303	–892	–1,057	–494
Cash and cash equivalents at period end	**208**	**20**	**20**	**1**

Cash flow from operating activities

The Group's cash flow from operating activities for the nine-month period ended 30 September 2026 amounted to SEK 666 million, compared to SEK 973 million for the nine-month period ended 30 September 2025. This development was mainly a result of items affecting comparability, primarily the storm-related impact on sales and separation and listing costs, and an increase in net working capital, partly offset by lower provisions paid.

The Group's cash flow from operating activities for the financial year 2025 amounted to SEK 1,242 million, compared to SEK 683 million for the financial year 2024. This development was mainly a result of higher adjusted operating profit and improved change in net working capital (excluding non-cash increase in forest inventory arising from a storm in 2025).

Cash flow from investing activities

The Group's cash flow from investing activities for the nine-month period ended 30 September 2026 amounted to SEK (175) million, compared to SEK (62) million for the nine-month period ended 30 September 2025. This development was mainly a result of the repaid loan in January 2025 mentioned below; other changes included higher proceeds from forest asset disposals and lower cash outflows from investment in forest assets.

The Group's cash flow from investing activities for the financial year 2025 amounted to a net outflow of SEK (166) million, compared to SEK (189) million for the financial year 2024. This development was mainly a result of the repayment of a SEK 182 million loan from Stora Kopparbergs Bergslags AB to Stora Enso AB in January 2025 offset by higher investments in forest assets and lower disposal proceeds.

Cash flow from financing activities

The Group's cash flow from financing activities for the nine-month period ended 30 September 2026 amounted to SEK (303) million, compared to SEK (892) million for the nine-month period ended 30 September 2025. This development was mainly a result from an increase in cash inflows from the group cash pool (change SEK 366 million); a capital contribution received of SEK 310 million (nil in the nine-month period ended 30 September 2025); versus a lower inflow of equity financing from the Remaining Stora Enso Group (change SEK (152) million) and other changes (net change SEK 64 million).

The Group's cash flow from financing activities for the financial year 2025 amounted to SEK (1,057) million, compared to SEK (494) million for the financial year 2024. This development was mainly a result of higher net cash outflows to Stora Enso through the group cash pool and related party liabilities, partly offset by a capital contribution.

Capital expenditure

The following table presents the capital expenditure of the Group for the nine-month periods ended 30 September 2026 and 2025 and for the financial years ended on 31 December 2025 and 2024.

Capital expenditure by operating segments	For the nine-month period ended 30 September		For the financial year ended 31 December	
SEK million	2026	2025	2025	2024
Forest	248	226	313	267
All other segments	15	26	37	32
Group	**263**	**251**	**350**	**299**

In the nine-month period ended 30 September 2026, the Group's capital expenditure mainly comprised investments in reforestation amounting to SEK 218 million, compared to SEK 215 million for the nine-month period ended 30 September 2025.

In both financial years 2025 and 2024, the Group's capital expenditure mainly comprised investments in reforestation (SEK 286 million (219)) but also included roadbuilding, capitalized software development and seedling nursery-related construction in the forest segment.

Contractual obligations and commitments

Environmental provision

The Group is party to an agreement with Stiftelsen Stora Kopparberget that obligates the Group to arrange, carry out and finance the pumping and purification of mine water from the Falun copper mine site. As at 31 December 2025, the provision amounted to SEK 279 million (SEK 312 million as at 31 December 2024). The provision related to the mine is expected to be utilized annually until 2035 when the agreement with Stiftelsen Stora Kopparberget would cease to apply at the earliest.

Off-balance sheet arrangements

As at 30 September 2026, the Group had no off-balance sheet liabilities or arrangements that have a material impact on the Group's operations, results of operations or financial position.

Summary of important accounting principles

For information on the important accounting principles, see Note 1 in the section "*Historical financial information*".

Brief description of Stora Enso, excluding Bergslagets Skogar

Overview

Stora Enso is a global renewable materials company with a strong focus on packaging. Its offering combines packaging materials and solutions made from fresh and recycled fiber with biomaterials and wood products. Following the Demerger, Stora Enso would have a more focused business portfolio and capital-allocation framework, while retaining important operational links to the Swedish Forest Assets Business through the WSA.

Stora Enso's customers include packaging producers, brand owners, publishers, printing houses, joinery and construction companies. Its aim is to replace fossil-based materials by innovating and developing new products and services based on wood and fiber-based materials. Today, Stora Enso's solutions are found in such segments as food and beverages, retail, manufacturing, publishing, pharmaceutical, cosmetics, confectionery, hygiene, textiles and construction.

During the illustrative nine-month period ended 30 September 2026, Stora Enso's sales amounted to EUR 7.0 billion and its adjusted EBIT amounted to EUR 333 million, corresponding to an adjusted EBIT margin of 4.8 percent on an illustrative basis excluding Bergslagets Skogar. For more information on Stora Enso's unaudited illustrative financial information excluding Bergslagets Skogar, see the section "*Selected unaudited illustrative financial information for Stora Enso, excluding Bergslagets Skogar*". Stora Enso's shares are listed on Nasdaq Helsinki and Nasdaq Stockholm.

Strategy

Stora Enso's strategy is to lead in renewable materials, with a strong focus on packaging. Stora Enso sees growth opportunities in the renewable packaging market, where it already holds a solid position and has made significant investments.

To support this strategy, Stora Enso has introduced four strategic priorities, built on its core strengths and market opportunities:

Lead in customer value creation through innovation, quality, and sustainability. Stora Enso serves leading brands and converters, including customers operating in more than 60 countries, and launches approximately one new product every month.

Grow faster than market with a superior customer offering, leading technology, and operational efficiency. With a broad portfolio of fiber-based solutions, Stora Enso is well positioned to capture growth opportunities across attractive end markets.

Expand margin through business focus, a positive performance culture, and systematic value creation. By continuously improving operational efficiency, commercial excellence, and product mix, Stora Enso aims to strengthen profitability and create sustainable shareholder value.

Generate cash with a high conversion ratio and disciplined capital allocation. Following a period of significant strategic investments, Stora Enso is well placed to convert earnings into cash flow while also strengthening the balance sheet.

Financial targets and dividend policy

Stora Enso has, as part of its overall business strategy, set itself the following financial targets at the group level:

- adjusted EBIT margin of more than 10 percent;
- over 4 percent sales growth;
- over 50 percent payout ratio; and
- net debt to adjusted EBITDA ratio of less than 1 (temporarily the flexibility to increase up to 2 times for strategic investments).

Stora Enso's dividend policy is to distribute 50 percent of earnings per share (EPS) excluding fair valuation over the cycle.

Sustainability

Stora Enso contributes to the circular bioeconomy transition in three key areas where it has the greatest impact and opportunities: climate change, circularity and biodiversity. This is underpinned by responsible business practices across its everyday operations.

Stora Enso's science-based target for 2030 is to reduce absolute Scope 1 and 2 greenhouse gas emissions by 50 percent from the 2019 base year, in line with the 1.5-degree scenario. By the end of the third quarter of 2026, Scope 1 and 2 emissions had been reduced by 60 percent from the base year. Stora Enso is also committed to reducing Scope 3 emissions by 50 percent from the 2019 base year by 2030. In 2025, Stora Enso's estimated Scope 3 emissions achieved a 38 percent reduction from the base year.

In May 2026, Stora Enso published its Circularity Plan, aligned with the Global Circularity Protocol for Business, and set a new target to achieve 90 percent material circularity in its direct operations by 2030, up from a baseline of 79 percent in 2025.

Stora Enso targets 100 percent compliance with each biodiversity impact indicator at audited harvesting sites in Finland, Sweden and the Baltics by 2030, supporting its ambition to achieve a net-positive impact on biodiversity in its own forests and plantations by 2050.

Trends

Global megatrends are expected to drive the demand for renewable materials and underpin Stora Enso's growth opportunities. The following are some examples of the long-term opportunities these trends are expected to create for Stora Enso:

- **Circularity**: Circularity is gaining momentum across various sectors and regions, driven by policy, innovation and consumer demand. The world needs materials that are both renewable and recyclable, and supporting a circular bioeconomy to combat climate change, conserve natural resources and minimize waste.
- **Eco-awareness**: Climate change necessitates a more efficient use of natural resources, and consumers' demand for sustainable products is growing. Investors and other financial institutions are increasingly factoring climate and biodiversity impacts into their investment strategies. Meanwhile, policy makers and regulators are developing regulations to mitigate and adapt to climate change and to halt biodiversity loss.
- **Climate change**: The increase in average global temperatures has significant impacts on the environment, society and economy, as seen in the melting ice caps, rising sea levels, extreme weather events, biodiversity loss, food insecurity and health risks. A key factor in decelerating climate change, and where Stora Enso can contribute, is by replacing fossil-based materials with renewable alternatives.
- **Resource scarcity**: Population growth, increasing consumption patterns and climate change have led to the depletion of natural resources, subsequently increasing their price. This emphasizes the need for efficient resource utilization, establishing circular material flows and waste reduction.

Reporting segments and business areas

Overview

Effective from 1 January 2026, Stora Enso has four current reporting segments that are Consumer Packaging (comprising the Cartonboard and the Foodservice and Liquid Board business areas), Integrated Packaging (comprising the Containerboard and the Packaging Solutions business areas), Biomaterials (comprising the Biomaterials business area) and Other (including the Wood and Energy business area, the Stora Enso Group's administration, the Growth Business unit and the Swedish Forest Assets Business until the eventual Demerger). All of the business areas report directly to Stora Enso's CEO.

Consumer Packaging

Stora Enso's Consumer Packaging reporting segment comprises the Foodservice and Liquid Board and Cartonboard business areas. The Foodservice and Liquid Board business area focuses on developing and producing fresh fiber-based boards for food service applications like paper cups, trays, and containers, along with liquid packaging boards for aseptic and fresh products such as milk, juice, yogurt and soups. The business runs large board production facilities in Finland, Sweden and China backed by integrated fiber supply, sawmills and energy operations. The Cartonboard business area focuses on developing premium fresh fiber packaging boards for food, cosmetics, chocolate, cigarette and pharmaceutical packaging, beverage and multipacks as well as general packaging. The business runs board production facilities in Finland and Sweden, leveraging integrated fiber, sawmilling and energy assets.

The new cartonboard line at the Oulu site in Finland continues its ramp-up towards full capacity, which is expected to be reached during 2027.

Integrated Packaging

Stora Enso's Integrated Packaging reporting segment comprises the Containerboard and Packaging Solutions business areas. The product portfolio of the Containerboard business area includes brown and white-top kraftliners, testliners, fluting, bag paper, MG Kraft, UKP (unbleached market pulp) as well as newsprint and magazine paper, serving a wide range of packaging and paper needs in food, e-commerce, consumer, electronics, and industrial applications. With production in Finland, Poland and Belgium, the Containerboard business area offers virgin-fiber containerboard, complemented by a highly competitive recycled offering backed by integrated fresh and recycled fiber supply, sawmills and energy operations. The Packaging Solutions business area delivers finished fiber-based packaging to leading brands in retail, e-commerce, and industrial markets, as well as design and automation services that improve material use, streamline logistics, and reduce CO_2. The business runs production sites in Western Europe, Poland, Finland, Sweden, the Baltic states and China.

Biomaterials

Stora Enso's Biomaterials reporting segment comprises the Biomaterials business area. The Biomaterials business area includes specialty pulp grades and biochemicals produced at the Northern European production units and sustainable cost competitive eucalyptus pulp grades produced in Brazil and Uruguay, serving internal and external customers with specialized pulp across packaging, hygiene, medical care and industrial applications. Through innovation, the Biomaterials business area uses all fractions of the tree and enables long-term value creation by growing business in new high-performance renewable materials. The production facilities of the Biomaterials business area are backed by integrated fiber supply through sawmills in Northern Europe and large-scale wood plantations in Latin America.

Other

Stora Enso's Other reporting segment comprises the Wood and Energy business area, the Stora Enso Group's administration, the Growth business unit, and the Swedish Forest Assets Business until the eventual Demerger. The Wood and Energy business area encompasses wood sourcing and trading, wood products supply chain and sales, Stora Enso's energy business, as well as the Central European sawmilling operations. Organizationally, the Wood and Energy business area also includes Stora Enso's ownership interest in

Tornator, a leading Nordic forest owner, and its ownership interest in Pohjolan Voima (PVO), a major Finnish energy company, both contributing to the Group's long-term raw material and energy security.

Recent developments

Strategic divestments and restructurings

On 30 October 2026, Stora Enso announced that the Board of Directors of Stora Enso had approved the Demerger Plan for the Demerger and also announced Bergslagets Skogar's strategic and financial targets and dividend policy. On 2 November 2026, Stora Enso announced that the Board of Directors of Stora Enso had decided to convene the EGM to be held on 15 December 2026 to resolve on the Demerger in accordance with the Demerger Plan. For more information on the Demerger, see the section "*Information regarding the Demerger*".

On 14 November 2025, Stora Enso announced that it was initiating a strategic review of its Central European sawmills and building solutions operations. The strategic review covered the business unit comprising seven sawmills in Austria, Czechia, Poland and Lithuania; three cross-laminated timber (CLT) mills; wood procurement; and international sales and distribution. After assessing different scenarios, in November 2026, Stora Enso concluded that the business performance can be improved and the business will remain as part of Stora Enso. As part of its profitability improvement actions, Stora Enso plans to close one production line at the Brand sawmill in Austria and make structural changes within the business unit in Central Europe.

On 30 September 2025, Stora Enso announced that it had completed the divestment of approximately 175,000 hectares of forest land, equivalent to 12.4 percent of its total forest land holding of 1.4 million hectares in Sweden (the "**Divestment**"), for an enterprise value of SEK 9.8 billion, equivalent to EUR 900 million (in line with book value). Stora Enso retained a 15 percent ownership stake in the divested entity. In connection with the transaction, Stora Enso and the divested entity entered into a 15-year wood supply agreement with a possible additional 15-year extension to secure wood availability for Stora Enso's Swedish business units.

On 29 September 2026, Stora Enso announced its plans to focus on sawmill operations and discontinue CLT production at Gruvön in Sweden. On 22 October 2026, Stora Enso announced the decision on the closure of its Cross Laminated Timber (CLT) production unit at Gruvön in Sweden and that it will be permanently closed by the end of 2026.

On 12 August 2026, Stora Enso announced its plans to centralize sawmill production in Northern Finland and permanently close Veitsiluoto sawmill. The planned change is part of Stora Enso's ongoing efforts to improve efficiency, profitability, and competitiveness in line with its strategy. On 16 September 2026, Stora Enso announced the decision on the permanent closure of Veitsiluoto sawmill.

On 18 June 2025, Stora Enso announced that it had initiated a strategic review of its Swedish Forest Assets Business. On 14 November 2025, Stora Enso announced that its Board of Directors had completed the strategic review, and that the Board of Directors had decided to initiate preparations for the separation of the Swedish Forest Assets Business into a new publicly listed company through the Demerger. For more information on the Demerger, see the section "*Information regarding the Demerger*".

On 25 May 2026, Stora Enso announced its plans to reorganize its Skutskär production unit in Sweden to focus on fluff pulp and increase competitiveness. On 17 June 2026, Stora Enso announced its investment in fluff pulp production increase at its Skutskär business unit and the decision to permanently close softwood pulp production on fiberline 3 (L3).

Recent market developments

The operating environment remained challenging throughout 2025 and during the first nine months of 2026. Demand across most end markets continued to be affected by weak consumer confidence, limited economic growth and ongoing geopolitical uncertainty. While market conditions gradually improved in selected packaging segments, the industry continued to face a combination of uneven demand patterns, excess capacity in several product categories, volatility in pulp markets and a prolonged downturn in construction-related end uses.

Raw material costs remained a key challenge for the sector. Wood prices continued to rise throughout 2025 and remained at historically elevated levels, particularly in Finland and Sweden. Although wood costs moderated somewhat during early 2026 from the exceptionally high levels experienced in recent years, wood availability remained tight and overall fiber costs continued to exceed historical averages. Toward the end of 2026, wood costs are expected to increase slightly further.

Against this backdrop, Stora Enso continued to focus on operational efficiency, cost competitiveness, portfolio optimization and strategic growth projects, including the ramp-up of the new consumer board line in Oulu.

Annual report and interim report

For further information on Stora Enso, see Stora Enso's annual report 2025 and Stora Enso's Interim report Q3 2026, available at www.storaenso.com.

Selected unaudited illustrative financial information for Stora Enso, excluding Bergslagets Skogar

The purpose of the unaudited illustrative financial information is to illustrate the hypothetical effect the Divestment and the Demerger could have had on Stora Enso's consolidated financial information as if each of the Divestment and Demerger had been completed at a different point in time.

The tables below present selected unaudited illustrative financial information for Stora Enso as at and for the financial year 2025 and the nine-month period ended 30 September 2026 for illustrative purposes only.

The unaudited illustrative financial information presented in this section is based on Stora Enso's consolidated financial statements for the financial year ended 31 December 2025 and Stora Enso's unaudited interim report for the nine-month period ended 30 September 2026 adjusted with the items attributable to the Divestment and Demerger as described below.

The following unaudited illustrative financial information has been prepared covering:

(i) an illustrative unaudited consolidated income statement for Stora Enso for the period January–December 2025 as if the completed Divestment and the Demerger would have occurred on 1 January 2025;

(ii) an illustrative unaudited consolidated statement of financial position for Stora Enso as if the Demerger would have occurred on 31 December 2025;

(iii) an illustrative unaudited consolidated income statement for Stora Enso for the nine-month period ended 30 September 2026 as if the Demerger would have occurred on 1 January 2026; and

(iv) an illustrative unaudited consolidated statement of financial position for Stora Enso as if the Demerger would have occurred on 30 September 2026.

The unaudited illustrative financial information is presented for illustrative purposes only, and it does not necessarily reflect Stora Enso's actual results or financial position as if the Divestment and the Demerger have been completed at a different point in time. The unaudited illustrative financial information should not be regarded as an indication of Stora Enso's results or financial position for any future period.

If the Demerger is completed, the unaudited illustrative financial information presented herein may differ from the financial information ultimately presented in Stora Enso's consolidated financial statements prepared in accordance with IFRS Accounting Standards following the completion of the Demerger.

The unaudited illustrative financial information reflects the estimated effects of internal restructuring measures and the Demerger and related financing arrangements, based on the Demerger Plan and other information available as at the date of this Information Brochure which the management of Stora Enso believe are reasonable in this context. There is no assurance that the assumptions used in preparing the unaudited illustrative financial information will prove to be correct.

The unaudited illustrative financial information includes the following adjustments:

- Exclusion of the financial information attributable to the Swedish forest assets related to the Divestment and the Demerger is based on unaudited internal financial information prepared in accordance with Stora Enso's accounting principles. The financial information has been adjusted for the periods which Stora Enso has owned the legal entities, assets, liabilities and operations.
- The illustrative adjustments include transfers of cash of EUR 37 million, debt of EUR 837 million and precision forestry assets of EUR 5 million to Bergslagets Skogar. Reflecting the decrease in debt in Stora Enso, a reduction of EUR 30 million in net financial items has been included for 2025 and EUR 23 million for the nine-month period ended 30 September 2026.
- To illustrate the impact of the transactions on Stora Enso, adjustments have also been made to reverse historical consolidation eliminations, present transactions between Stora Enso and the divested and demerger entities as external transactions, and to exclude personnel costs relating to employees transferring to Bergslagets Skogar.
- In the completed Divestment, Stora Enso retained 15 percent of the divested entity's shares, accounted for as an associate. Accordingly, a 15 percent profit share for January–September 2025 has been included as a share of results of associated companies in the illustrative consolidated income statement for 2025, to show the effect as if the Divestment had occurred on 1 January 2025.
- Adjustments have lastly been made for transaction and separation costs incurred and recognized related to the Demerger. As the Demerger has not yet been completed, further transaction and separation costs will occur in the future until completion of the Demerger.

No adjustments have been made for negative synergy costs for the completed Divestment and the Demerger. No adjustments have been made for transaction and separation costs incurred and recognized related to the Divestment, and those are included in the Stora Enso illustrative figures as historically recognized. The gain from the Divestment is included in the unaudited illustrative financial information for Stora Enso in 2025, as historically recognized.

The amounts in this section are presented in EUR and have sometimes been rounded, which means that the sum of all the entries in the tables does not necessarily amount to the totals in the tables.

Illustrative unaudited consolidated income statement

	For the nine-month period ended 30 September	For the financial year ended 31 December
EUR million	2026	2025
Sales	**7,005**	**9,311**
Other operating income	135	393
Materials and services	–5,266	–7,153
Personnel expenses	–917	–1,213
Other operating expenses	–343	–499
Share of results of associated companies	30	97
Change in net value of biological assets	–63	–52
Depreciation, amortization and impairment charges	–462	–501
Operating result	**119**	**383**
Net financial items	–89	–130
Result before tax	**29**	**254**

Illustrative unaudited consolidated statement of financial position

EUR million	2026-09-30	2025-12-31
Assets		
Goodwill	170	171
Other intangible assets	198	244
Property, plant and equipment	5,033	5,194
Right-of-use assets	416	422
	5,817	**6,031**
Forest assets	916	872
Biological assets	675	641
Forest land	241	231
Emission rights	51	45
Investments in associated companies	1,099	1,108
Unlisted securities	1,028	910
Non-current interest-bearing receivables	29	14
Deferred tax assets	251	216
Other non-current assets	92	66
Non-current assets	**9,283**	**9,262**
Inventories	1,799	1,728
Tax receivables	35	29
Operative receivables	957	833
Interest-bearing receivables	48	67
Cash and cash equivalents	794	1,175
Current assets	**3,633**	**3,832**
Total assets	**12,915**	**13,094**
Equity and liabilities		
Equity attributable to owners of the parent	7,861	6,892
Non-controlling interests	–146	–147
Total equity	**7,715**	**6,746**
Post-employment benefit obligation	134	153
Provisions	47	47
Deferred tax liabilities	93	115
Non-current interest-bearing liabilities	1,439	2,720
Non-current operative liabilities	31	30
Non-current liabilities	**1,744**	**3,065**
Current portion of non-current debt	343	252
Interest-bearing liabilities	821	659
Bank overdrafts	2	5
Provisions	38	40
Operative liabilities	2,210	2,310
Tax liabilities	42	17
Current liabilities	**3,456**	**3,284**
Total liabilities	**5,200**	**6,348**
Total equity and liabilities	**12,915**	**13,094**

Additional information to the unaudited illustrative financial information regarding alternative performance measures

The following additional information to the unaudited illustrative information shows the illustrative effects of the alternative performance measures Net debt, Net debt to equity ratio, and Net debt to adjusted EBITDA ratio. These alternative performance measures are defined and calculated based on the same calculation principles as described in the "*Alternative Performance Measures*" sections in Stora Enso's annual report 2025 and Stora Enso's unaudited interim report for the nine-month period ended 30 September 2026.

Net debt

EUR million	For the nine-month period ended 30 September 2026	For the financial year ended 31 December 2025
Non-current interest-bearing receivables	29	14
Interest-bearing receivables	48	67
Cash and cash equivalents	794	1,175
Interest-bearing assets	**871**	**1,256**
Non-current interest-bearing liabilities	1,439	2,720
Current portion of non-current debt	343	252
Interest-bearing liabilities	821	659
Bank overdrafts	2	5
Interest-bearing liabilities	**2,604**	**3,636**
Net debt	**1,734**	**2,381**

Net debt to Equity ratio

EUR million	For the nine-month period ended 30 September 2026	For the financial year ended 31 December 2025
Net debt	1,734	2,381
(÷) Equity attributable to owners of the parent	7,861	6,892
Net debt to Equity ratio	**0.22**	**0.35**

Net debt to Adjusted EBITDA ratio

EUR million	For the nine-month period ended 30 September 2026	For the financial year ended 31 December 2025
Net debt	1,734	2,381
(÷) Adjusted EBITDA	779	921
Net debt to Adjusted EBITDA ratio	**2.2**	**2.6**

Adjusted EBITDA

EUR million	For the nine-month period ended 30 September 2026	For the financial year ended 31 December 2025
Adjusted EBITDA	**779**	**921**
Depreciation and silviculture costs of associated companies	–13	–14
Silviculture costs[1)]	–46	–94
Depreciation and impairment excl. items affecting comparability	–386	–477
Adjusted EBIT	**333**	**336**
Fair valuations and non-operational items	–47	38
Items affecting comparability	–167	9
Operating result (IFRS)	**119**	**383**

1) Including damages to forests.

Fair valuations and non-operational items (FV)

EUR million	For the nine-month period ended 30 September 2026	For the financial year ended 31 December 2025
Non-operational fair valuation changes of biological assets	–17	45
CO_2 emission rights and liabilities	–2	–12
Non-operational items of associated companies	–28	4
Adjustments for differences between fair value and acquisition cost of forest assets upon disposal	–	–
Total	**–47**	**38**

Items affecting comparability

EUR million	For the nine-month period ended 30 September 2026	For the financial year ended 31 December 2025
Acquisitions & disposal	–38	120
Impairment	–87	–16
Restructuring	–53	–57
Environmental	3	–7
Other	8	–32
Total	**–167**	**9**

Bergslagets Skogar's Board of Directors, Executive Management and auditors

The Board of Directors

According to the proposed articles of association of Bergslagets Skogar, the Board of Directors shall comprise not less than five (5) and not more than ten (10) members elected by the General Meeting, without deputies. It is proposed that the EGM resolving on the Demerger shall decide on the election and the number of members of the Board of Directors of Bergslagets Skogar. The term of office for the proposed members of Bergslagets Skogar's Board of Directors shall commence on the date of registration of the incorporation of Bergslagets Skogar in the Swedish Companies Registration Office in connection with the completion of the Demerger on the Effective Date.

The proposed members of Bergslagets Skogar's Board of Directors are presented below.

Johan Trolle-Löwen

Born in 1959. Proposed Chair and member of the Board of Directors.

Education: M.Sc. in Engineering and Industrial Economics, KTH Royal Institute of Technology, Sweden.

Other current assignments: Member of the Board of Directors of Hargs Bruk AB. CEO of Sjösa Förvaltnings AB.

Previous assignments: Chair of the Board of Directors of Kopparfors Skogar AB. Member of the Board of Directors of Landshypotek Bank AB, Bergvik Skog AB and Firefly AB. CEO of Atlas Copco Tools AB.

Jannica Fagerholm

Born in 1961. Proposed Vice Chair and member of the Board of Directors.

Education: M.Sc. in Economics, Hanken School of Economics, Finland.

Other current assignments: Chair and member of the Board of Directors of Solidium Oy. Vice Chair of the Board of Directors of Mandatum plc. Member of the Board of Directors of Kesko plc and Sanoma plc. Managing Director of Signe and Ane Gyllenberg Foundation.

Previous assignments: Member of the Board of Directors of Sampo plc. Chair and member of the Board of Directors of Hanken School of Economics. Managing Director of SEB Gyllenberg Private Bank, Country Director at Handelsbanken Liv Finland, various positions within Sampo Insurance Group's investment management unit.

Helen Fasth Gillstedt

Born in 1962. Proposed member of the Board of Directors.

Education: M.Sc. in Economics, Stockholm School of Economics, Sweden.

Other current assignments: Member of the Board of Directors of Handelsbanken Fonder AB, PowerCell Group AB, Munters Group AB and Sortera AB. Member of Shareholders' Nomination Board in several Swedish companies, including Atlas Copco and Epiroc.

Previous assignments: Member of the Board of Directors of Viva Wine Group AB, Storytel AB, Samhall AB, Humana AB, AcadeMedia AB, Lindorff A/S, NAI Svefa AB, Sjölunda Gård Eko AB, Intrum Justitia AB, Swedesurvey AB, Precise Biometrics AB, Blue1 OY, Multicom Security AB, Technology Nexus AB, Devenator AB and Svensk-Norsk Industrifond.

Magnus Fernström

Born in 1981. Proposed member of the Board of Directors.

Education: M.Sc. in Finance and Economics, Stockholm School of Economics, Sweden.

Other current assignments: Member of the Board of Directors of Nefab Group AB and Grand Hospitality Group AB. Head of Real Assets at Wallenberg Investments Holdings AB (previously FAM AB).

Previous assignments: Member of the Board of Directors of Kopparfors Skogar AB, Bergvik Skog AB and Power Wind Partners AB, Investment Director at Wallenberg Investments Holdings AB, Investment Manager at Wallenberg Investments Holdings AB and Special Adviser at the Swedish Ministry of Enterprise.

Timo Mäkinen

Born in 1991. Proposed member of the Board of Directors.

Education: M.Sc. in Industrial Engineering and Management, Aalto University, Finland.

Other current assignments: Investment Manager at Solidium Oy.

Previous assignments: Investment Associate at Solidium Oy, Associate at Boston Consulting Group and Management Consultant at EY.

Catharina Stackelberg-Hammarén

Born in 1970. Proposed member of the Board of Directors.

Education: M.Sc. in Economics, Hanken School of Economics, Finland.

Other current assignments: Chair of the Board of Directors of Harvia Oyj. Vice Chair of the Board of Directors of Alma Media Corporation. Member of the Board of Directors of Royal Unibrew A/S. Senior Vice President of Knowit Insight Oy.

Previous assignments: Founder, Executive Chair and CEO of Marketing Clinic Oy, Managing Director of Coca-Cola Finland, Managing Director of Coca-Cola AB and managerial and leadership roles at Coca-Cola in Finland and the Nordic and Baltic Region.

Executive Management

According to the Demerger Plan, Tuomas Hallenberg shall be appointed as the first CEO of Bergslagets Skogar. Tuomas Hallenberg's position as CEO, as well as the other positions of the members of the Executive Management in Bergslagets Skogar, shall take effect upon incorporation of Bergslagets Skogar in connection with the completion of the Demerger on the Effective Date.

The members of Bergslagets Skogar's Executive Management are presented below.

Tuomas Hallenberg

Born in 1971. CEO.

Education: M.Sc. in Forestry in Forest Management Planning from the University of Joensuu, Finland, and an MBA.

Other current assignments: –

Previous assignments: Chair of the Board of Directors of Siemen Forelia Oy, Fin Forelia Oy, MH-Kivi Oy and Metsäteho Oy. Member of the Board of Directors of Finnish Forest Industries Federation. Member of the supervisory Board Eesti Metsataim oü. President of Nordic Hunters' Alliance. Vice President of European Federation for Hunting and Conservation, FACE.

Martin Ros

Born in 1977. CFO.

Education: Studies in the Master of Science in forestry program at the Swedish University of Agricultural Sciences and at the School of Business & Economics in Umeå, Sweden.

Other current assignments: Member of the Board of Directors of Arevo AB.

Previous assignments: Several leading finance, business and strategic positions within the Stora Enso Group for the past 25 years. Amongst other CFO of various Business Divisions, Head of Treasury and Group Control. Member of the Board of Directors of Vacse AB, Montes del Plata S.A and Veracel Celulose S.A.

Johan Djurberg

Born in 1982. Head of Forestry.

Education: M.Sc. from the Swedish University of Agricultural Sciences in Umeå, Sweden.

Other current assignments: –

Previous assignments: Vice President Wood Supply at Billerud, Director Wood Supply at Stora Enso, Business manager wood sales at Stora Enso, Chair of the Board of Directors of Stora Enso Skog AS. Member of the Board of Directors of Sydved.

Pontus Selderman

Born in 1966. General Counsel.

Education: LLM from Uppsala University, Sweden. Legal studies in Minnesota Law School and Oslo University.

Other current assignments: Chair of the Board of Directors of Erik Johan Ljungberg's Education Foundation. Vice Chair Vasaloppets Marknads AB and Vasaloppet.

Previous assignments: District Court Judge, Södra Roslags tingsrätt, associate and partner at Lawfirm Södermark and Lawfirm Sylwan & Fenger-Krog, various positions in Stora Enso Group Legal for the last 18 years, for example Group Legal Counsel, Chief Compliance Officer and SVP, Forest Legal and ESG Regulatory. Member of the Board of Directors of Dalarnas Försäkringsbolag and Leksandsbröd.

Independent auditors

The EGM resolving on the Demerger shall decide on the election of the Company's auditor. Öhrlings PricewaterhouseCoopers AB, with address Torsgatan 21, SE-113 97 Stockholm, Sweden, is proposed to be the Company's auditor, with Fredrik Göransson as the main responsible auditor.

Share capital and ownership

Share information

As at 30 October 2026, Stora Enso had 788,619,987 shares outstanding, of which 175,431,077 were shares of class A and 613,188,910 were shares of class R. In accordance with the Demerger Plan, the Demerger Consideration is proposed to be issued to the shareholders of Stora Enso in proportion to each Stora Enso shareholder's holdings of shares in Stora Enso with a ratio of 1:1 per share class based on the number of shares in Stora Enso recorded on each separate book-entry account of Stora Enso's shareholders on the applicable Demerger Record Date. As Demerger Consideration, the shareholders of Stora Enso are proposed to receive one (1) share of class A in Bergslagets Skogar for each share of class A held in Stora Enso and one (1) share of class B in Bergslagets Skogar for each share of class R held in Stora Enso. If the Demerger Consideration were to be allocated under the assumption that the Demerger had been completed on 30 October 2026, the total number of shares in Bergslagets Skogar to be issued as Demerger Consideration to the shareholders of Stora Enso would be 788,619,987, whereof 175,431,077 would be shares of class A and 613,188,910 shares of class B.

The Company's share capital will be expressed in SEK and will be distributed among the shares issued by the Company with a quota (par) value expressed in SEK. According to the Company's proposed articles of association, the share capital shall be not less than SEK 700,000 and not more than SEK 2,800,000, and the number of shares shall be not less than 700,000,000 and not more than 2,800,000,000. The share capital of the Company shall be determined as the number of shares in the Company as at the Effective Date multiplied by a quota (par) value of SEK 0.001. The Company's shares will be issued in accordance with Swedish law, will be fully paid and will be freely transferable in accordance with applicable law.

Following the Demerger, the shares of class A and class B in Bergslagets Skogar are intended to be applied for admission to trading on Nasdaq Stockholm and Nasdaq Helsinki. Information regarding the ISIN codes for Bergslagets Skogar's shares of class A and class B will be included in the prospectus to be published prior to the admission to trading of the Company's shares.

The Company's shares will be registered in a central securities depository register in accordance with the Swedish Central Securities Depositories and Financial Instruments Accounts Act (Sw. *lagen (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*). The central securities depository register will be maintained by Euroclear Sweden, P.O. Box 191, SE-101 23 Stockholm, Sweden. The Company's shares will also be registered in the form of so-called link securities with Euroclear Finland, P.O. Box 1110, FI-00101 Helsinki, Finland.

Certain rights associated with the shares

The rights to be associated with the Company's shares, including those pursuant to the proposed articles of association, can only be amended in accordance with the procedures set forth in the Swedish Companies Act. Below is a description of certain rights to be associated with the Company's shares.

Right to dividends and surpluses in the event of liquidation

All shares in the Company will carry equal rights to dividends and to the Company's assets and possible surpluses in the event of liquidation. Resolutions regarding dividends will be adopted by the General Meeting. All shareholders who are registered as shareholders in the share register maintained by Euroclear Sweden on the record date determined by the General Meeting will be entitled to receive dividends. Dividends are usually paid to shareholders as a cash payment per share through Euroclear Sweden but may also be paid in kind (Sw. *sakutdelning*). If a shareholder cannot be reached through Euroclear Sweden (or Euroclear Finland, as applicable), the shareholder's claim on the Company for the dividend amount remains, subject to a limitation period of ten years (Sw. *preskriptionstid*). Upon the end of the prescription period, the dividend amount accrues to the Company.

Neither the Swedish Companies Act nor the proposed articles of association of Bergslagets Skogar contain any restrictions on the right to receive dividends for shareholders domiciled outside Sweden. Shareholders who are not tax resident in Sweden must normally pay Swedish withholding tax on dividends from the Company. For further information, see the section "*Tax considerations*". The shares in Bergslagets Skogar to be issued as Demerger Consideration shall entitle their holders to shareholder rights as from the date the shares have been registered with the Swedish Companies Registration Office and the shareholders have been entered into the share register of Bergslagets Skogar maintained by Euroclear Sweden. The shares in Bergslagets Skogar to be issued as Demerger Consideration shall entitle their holders to dividends as from the first record date for distribution of dividends which occurs after the shares have been entered into the share register maintained by Euroclear Sweden.

For Finnish Shareholders whose shares would be registered in the Euroclear Finland Nominee Account, dividends declared by Bergslagets Skogar would be paid to Euroclear Finland acting as a nominee in the Swedish Book-Entry System on behalf of the Finnish Shareholders, and forwarded by Euroclear Finland to the Finnish Shareholders holding the link securities in the Finnish Book-Entry System representing the shares in Bergslagets Skogar.

Voting rights
Holders of shares of class A shall have one (1) vote for every share of class A they represent. Holders of shares of class B shall have one (1) vote for each commenced lot of ten (10) shares of class B they represent.

Pre-emption rights to new shares
If the Company decides to issue new shares by way of a cash issue or set-off issue, holders of old shares shall have a pre-emption right to subscribe for new shares of the same share class in relation to the number of shares of the same share class the holder owns (primary pre-emption right). Shares not subscribed for with primary pre-emption rights will be offered to all shareholders for subscription (subsidiary pre-emption right). If the shares offered are not sufficient for the subscription made with subsidiary pre-emption rights, the shares will be distributed among the subscribers in proportion to the number of shares previously held by them and, to the extent that this cannot be done, by drawing lots.

If the Company decides to issue shares of either only class A or only class B through a cash issue or set-off issue, all shareholders, regardless of whether their shares are of class A or class B, shall have a pre-emption right to subscribe for new shares in proportion to the number of shares they have previously held.

If the Company decides to issue warrants or convertibles by way of a cash issue or set-off issue, the shareholders have a pre-emption right to subscribe for warrants as if the issue concerned the shares that may be subscribed for by exercise of the warrants and the pre-emption rights to subscribe for convertibles as if the issue concerned the shares that the convertibles may be converted to, respectively.

The above shall not entail any limitation to the possibility of deciding on a cash issue or set-off issue relating to shares, warrants or convertibles with deviation from the shareholders' pre-emption rights.

If the share capital is increased through a bonus issue, new shares of each share class will be issued in proportion to the number of shares of the same class that already exist. Old shares of a certain class of shares will thus entail a right to new shares of the same class. This shall not entail any restriction on the possibility of issuing a new share class through a bonus issue, after necessary amendments of the articles of association have been made.

Resolution regarding issue of shares, warrants or convertibles shall, in addition to what may follow in accordance with mandatory law, be valid only where supported by shareholders representing at least two-thirds (2/3) of both the votes cast and the shares represented at the general meeting, if the resolution regards:

a) issue of shares of only one class of shares,

b) issue of shares of both classes of shares which results in a change in the ratio between the total number of class A shares and the total number of class B shares in the company, or

c) issue of warrants or convertibles.

For resolutions regarding issues not covered by items a)–c) above, the majority requirements set out in the Swedish Companies Act shall apply.

The general meeting may authorize the Board of Directors to resolve on the issue of shares, warrants and/or convertibles. A resolution by the general meeting to authorize the Board of Directors to resolve on an issue shall be adopted in compliance with the majority requirements set out below.

If the authorization includes a right for the Board of Directors to resolve on an issue covered by items a), b) or c) above, the resolution of the general meeting to grant the authorization is valid only if it has been supported by shareholders holding at least two-thirds (2/3) of both the votes cast and the shares represented at the general meeting. The same applies if the authorization includes a right to resolve on an issue with deviation from the shareholders' pre-emption rights.

For resolutions regarding an authorization not covered by the preceding paragraph, the majority requirements set out in the Swedish Companies Act shall apply.

Conversion of shares of class A to shares of class B
Holders of shares of class A will have the right to request that all or part of the holder's holding of shares of class A be converted into shares of class B. The request for conversion, which shall be in writing and state the number of shares of class A to be converted, shall be addressed to the Board of Directors. The Board of Directors shall assess the matter of conversion within eight weeks from the request for conversion.

The Board of Directors shall thereafter immediately submit the conversion for registration with the Swedish Companies Registration Office. The conversion shall be effective upon registration in the companies' register and when recorded in the central securities depository register.

American depositary shares
American depositary shares
Citibank, N.A. is anticipated to serve as the depositary (the "**Depositary**") of the Bergslagets Skogar American depositary shares ("**Bergslagets Skogar ADS**"). In its capacity as Depositary, Citibank, N.A. will register and deliver the Bergslagets Skogar ADSs, each of which represents (i) one share of class B in Bergslagets Skogar deposited with Citibank Europe plc, as custodian (including any successors thereto, the "**Custodian**") for the Depositary and (ii) any other securities, cash or other property which may be held by the Depositary or the Custodian. The Depositary's principal executive office at which the ADSs will be administered is located at 388 Greenwich Street, New York, New York 10013, USA.

Swedish law will govern the rights of Bergslagets Skogar's shareholders. From the perspective of Swedish law, the Depositary, not the ADS holders, will be the holder of all shares underlying the ADSs. Bergslagets Skogar does not intend to treat ADS holders as Bergslagets Skogar shareholders. Accordingly, ADS holders will not have shareholder rights but will instead have a more limited set of contractual

rights in their capacity as ADS holders. A deposit agreement among Bergslagets Skogar, the Depositary and the ADS holders and beneficial owners (the "**Deposit Agreement**") will set out the rights of ADS holders and beneficial owners and the rights and obligations of the Company and the Depositary. The laws of the State of New York will govern the Deposit Agreement and the ADSs.

Fees and expenses

Pursuant to the Deposit Agreement, Bergslagets Skogar ADS holders will be required to pay the Depositary certain fees for each of the following services:

(i) the issuance of ADSs upon a deposit of shares;
(ii) the cancellation of ADSs and withdrawal of the shares underlying such ADSs;
(iii) the distribution of cash dividends or any other distribution of cash entitlements;
(iv) the distribution of ADSs upon the exercise of rights or other stock distribution;
(v) distribution of financial instruction (e.g., spin-off shares or contingent value rights);
(vi) the annual administration, operation and maintenance of the ADS Program;
(vii) registration of ADS transfers; and
(viii) conversion of ADSs (e.g., for one series of ADSs for another series).

In addition, ADS holders, beneficial owners, persons depositing shares for deposit, persons surrendering Bergslagets Skogar ADSs for cancellation withdrawing shares underlying the Bergslagets Skogar ADSs will be required to pay the following charges:

(i) taxes and other governmental charges;
(ii) such registration fees as may from time to time be in effect for the registration of shares with the foreign registrar;
(iii) such cable, telex, facsimile and electronic transmission and delivery expenses as are expressly provided in the Deposit Agreement;
(iv) expenses, fees and other charges incurred by the Depositary in the conversion of foreign currency;
(v) fees and expenses incurred by the Depositary in connection with compliance with exchange control regulations and other regulatory requirements applicable to the shares underlying the Bergslagets Skogar ADSs and the Bergslagets Skogar ADSs;
(vi) fees and expenses incurred by the Depositary in connection with the delivery of shares underlying the Bergslagets Skogar ADSs; and
(vii) any fees, charges, costs or expenses that may be incurred from time to time by the Depositary and/or any of the Depositary's agents, including the Custodian, in connection with the servicing, sale or delivery of the shares underlying the Bergslagets Skogar ADSs or the Bergslagets Skogar ADSs, or otherwise in connection with the Depositary's or its Custodian's compliance with applicable laws, rules or regulations.

The fees payable to the Depositary for cash distributions may be paid from deductions made by the Depositary from the cash being distributed. In the case of distributions other than cash, the Depositary will charge the applicable fees concurrently with the distribution to the ADS holders as of the record date or from the sale by the Depositary of the distributable property in accordance with the terms of the Deposit Agreement.

Payment of taxes

ADS holders will be responsible for any taxes or other governmental charges payable, or which become payable, on the ADRs, the ADSs or on the shares of class B or other deposited securities represented by the ADSs. Until such taxes or other charges are paid by ADS holders, the Depositary may refuse the deposit of shares of class B, and it may refuse to issue ADSs, to deliver ADRs, to register the transfer, split-up or combination of ADRs or to allow ADS holders to withdraw the deposited securities represented by the ADSs. The Depositary may withhold or deduct the amount of any outstanding taxes or charges from any distributions made in respect of deposited securities, or it may sell deposited securities represented by the ADSs to pay any such outstanding taxes or charges and ADS holders will remain liable for any deficiency. If the Depositary sells deposited securities, it will, if appropriate, reduce the number of ADSs to reflect the sale and pay to ADS holders any net proceeds, or send to ADS holders any property, remaining after it has paid the taxes or charges.

The obligations of ADS holders and beneficial owners regarding taxes survive any transfer of ADRs or the ADSs, any surrender of ADRs or ADSs and withdrawal of underlying shares or the termination of the Deposit Agreement.

Requirements for depositary actions

Before the Depositary will issue, deliver or register a transfer of an ADS, split-up, subdivide or combine ADSs, make a distribution on an ADS, or permit withdrawal of Bergslagets Skogar shares, the Depositary will require the payment of the fees, charges and expenses provided for under the Deposit Agreement as well as the payment of all applicable stock transfer or other taxes or other governmental charges and transfer or registration fees charged by third parties for the transfer of any shares of class B or other deposited securities and payment of the applicable fees, expenses and charges of the Depositary.

Fees payable by the Bergslagets Skogar Depositary to Bergslagets Skogar

The Depositary may provide Bergslagets Skogar with payments in consideration for its appointment as exclusive depositary for the ADS Program.

Long-term incentive program

After the Demerger, Bergslagets Skogar may establish a long-term incentive program.

Ownership structure

As at 30 September 2026, Stora Enso had 788,619,987 shares outstanding, of which 175,491,395 were shares of class A and 613,128,592 were shares of class R. According to the Demerger Plan, the shareholders of Stora Enso shall receive as Demerger Consideration one (1) new share of the corresponding share class (i.e., class A or class B) in Bergslagets Skogar for each share of class A or class R they hold in Stora Enso; i.e., the Demerger Consideration shall be issued to the shareholders of Stora Enso in proportion to their shareholdings with a ratio of 1:1 per share class.[1)]

The initial ownership structure in Bergslagets Skogar will be based on the shareholding in Stora Enso on the applicable Demerger Record Date. If both the Finnish Record Date and the Swedish Record Date had been 30 September 2026, the largest shareholders of Bergslagets Skogar would have been as illustrated below.

Shareholders	Shares of class A	Shares of class B	Percent of capital	Percent of votes
Solidium Oy[1)]	62,655,036	21,792,540	10.7	27.4
Wallenberg Investments Holdings AB (previously FAM AB)[2)]	63,123,386	17,000,000	10.2	27.4
Social Insurance Institution of Finland (KELA)	23,825,086	0	3.0	10.1
Ilmarinen Mutual Pension Insurance Company	4,159,992	19,727,000	3.0	2.6
Varma Mutual Pension Insurance Company	5,163,018	7,840,874	1.6	2.5
MP-Bolagen i Vetlanda AB[2)]	4,936,000	1,000,000	0.8	2.1
Elo Mutual Pension Insurance Company	2,010,000	8,780,000	1.4	1.2
Erik Johan Ljungberg's Education Foundation	1,780,540	2,336,224	0.5	0.9
Lannebo Fonder	0	8,447,583	1.1	0.4
Bergslaget's Healthcare Foundation	626,269	1,609,483	0.3	0.3
Other shareholders	7,212,068	524,594,888	67.4	25.1
Total	**175,491,395**	**613,128,592**	**100.0**	**100.0**

Source: Stora Enso's website, based upon shareholder information from Euroclear Finland and Euroclear Sweden share registers and a database managed by Citibank, N.A. This information includes only direct registered holdings, thus certain holdings (which may be substantial) of shares and ADSs held in nominee or brokerage accounts cannot be included. The list is therefore incomplete.

1) Wholly-owned by the Finnish State.
2) As confirmed to Stora Enso.

1) Shares of class B in Bergslagets Skogar will, in all material respects, correspond to shares of class R in Stora Enso.

Material agreements for Bergslagets Skogar

Presented below is a summary of material agreements entered into by Bergslagets Skogar as well as other agreements entered into by the Group which contain any obligation or entitlement that is material to the Group (other than agreements entered into within the scope of the ordinary course of business).

The wood sales agreement with Stora Enso

Prior to the completion of the Demerger, Bergslagets Skogar has entered into the WSA with Stora Enso. The WSA is valid for a period of 18 years following the Demerger. Pursuant to the WSA, Bergslagets Skogar will provide Stora Enso with annually specified volumes of wood throughout the term of the WSA, which are set at a percentage of the total available volumes under the applicable harvesting calculation, subject to step-downs over time (the "**Base Volume**"). The Base Volume will be sold exclusively to Stora Enso, with non-exclusive volumes becoming increasingly available for other customers over the duration of the WSA. Non-exclusive volumes can also be sold to Stora Enso outside the WSA. The WSA also includes volume commitments relating to the Base Volume, according to which Stora Enso is committed to purchasing such volume or otherwise compensating Bergslagets Skogar financially for any shortfall. The wood prices under the WSA are set at market-based rates.

The WSA further includes undertakings by Bergslagets Skogar to ensure that Bergslagets Skogar maintains a predictable and properly planned reserve of harvesting sites so that Stora Enso has access to a representative selection of harvesting volumes.

In addition, as long as the Base Volume exceeds 20 percent of the total available volumes, the terms of the WSA require Bergslagets Skogar to obtain and maintain the forest sustainability certification system(s) adopted by the WSA, currently FSC and PEFC.

Framework agreement with Stiftelsen Stora Kopparberget

As a result of the completion of the Demerger, contractual liabilities attributable to the Falun copper mine and the historical operations related to the Falun World Heritage Site will be assumed by the Group through Stora Kopparbergs Bergslags AB, a subsidiary of Stora Enso that will transfer to Bergslagets Skogar in the Demerger. Stora Kopparbergs Bergslags AB is a party to a framework agreement with Stiftelsen Stora Kopparberget (the "**Framework Agreement**") governing, among other things, certain environmental indemnifications and obligations related to the Falun copper mine site, as well as other sites related thereto.

Pursuant to the Framework Agreement, Stora Kopparbergs Bergslags AB has undertaken to indemnify and hold Stiftelsen Stora Kopparberget harmless for costs of remediation or other similar measures relating to both currently known and potential future environmental contamination of properties related to the historical mining activities in Falun, including the Falun copper mine (the "**Environmental Indemnity**"). The Environmental Indemnity presupposes that such contamination is not attributable to activities conducted by Stiftelsen Stora Kopparberget.

Pursuant to the Framework Agreement, Stora Kopparbergs Bergslags AB is also obligated to arrange, carry out and finance the pumping and purification of mine water, including responsibility for the disposal of residual products from the water purification. As at 30 September 2026, the treatment is achieved through an agreement with the City of Falun, under which Stora Kopparbergs Bergslags AB is responsible for pumping and transporting mine water to a treatment facility, where the mine water is treated by the City of Falun. Stora Kopparbergs Bergslags AB is responsible for treating the residual waste products arising from the water treatment. The residual waste products are sent to an external recipient for disposal, which is funded by Stora Kopparbergs Bergslags AB.

The Framework Agreement can be terminated by either party subject to a notice period of five years, whereby termination may take place at the earliest in the end of 2030. Accordingly, the Framework Agreement may cease to apply at the earliest in 2035.

Financing arrangements

Allocation of debt in the Demerger

As at the date of this Information Brochure, the debt amount estimated to be allocated to Bergslagets Skogar in the Demerger is approximately SEK 9.48 billion, corresponding to approximately EUR 837 million, based on the reference rate published by the European Central Bank as per 30 September 2026. The debt amount to be allocated to Bergslagets Skogar is based on, among other things, liabilities under Stora Enso's financing instruments relating to the Swedish Forest Assets Business, worth of approximately SEK 6 billion, as well as a portion of the general debts of Stora Enso to be allocated to Bergslagets Skogar in the Demerger.

The final debt amount to be allocated to Bergslagets Skogar and other matters relating thereto will be determined according to the situation as per the Effective Date, considering, among other things, the proportion of Stora Enso's assets transferring to Bergslagets Skogar in the Demerger, on which the amount of general debts of Stora Enso to be allocated to Bergslagets Skogar in the Demerger will be based, and the final amount may be subject to amendments as may be considered necessary by the Board of Directors of Stora Enso for the technical implementation of the Demerger in accordance with the Demerger Plan.

Back-to-back loan

A debt/receivable relationship in the amount corresponding to the allocated debt amount as at the Effective Date, denominated in SEK based on the reference rate published by the European Central Bank as per 30 September 2026 and estimated to amount to approximately SEK 9.48 billion, will be created on the Effective Date by virtue of the Demerger Plan between Stora Enso as creditor and Bergslagets Skogar as debtor (the "**Back-to-Back Loan**"), with no cash transfer on the Effective Date. The terms and conditions of the Back-to-Back Loan will be agreed prior to completion of the Demerger, and the interest accruing on the Back-to-Back Loan is to be agreed to be at an arm's-length interest rate.

Bergslagets Skogar is expected to settle the liabilities under the Back-to-Back Loan with funds to be transferred to Bergslagets Skogar from its subsidiary Bergslagets Egendomar AB shortly after the completion of the Demerger, which may consist of funds drawn down by Bergslagets Egendomar AB under new external financing arrangements (see the section "*External financings*" below), and/or other available funds. The settlement of such liabilities is expected to take place shortly after the completion of the Demerger, such that there would be no long-term debt relationship between Stora Enso and Bergslagets Skogar.

External financings

Stora Enso, as guarantor, and Bergslagets Egendomar AB, as borrower, have during October 2026 entered into a SEK 6 billion senior secured facilities agreement and an up to SEK 3.5 billion secured facility agreement with certain Nordic lenders, pursuant to which new external financing is to be made available to be drawn down as of, or shortly after, the Effective Date by Bergslagets Egendomar AB (the "**Facilities Agreements**"). The Facilities Agreements have been entered into for purposes of indirectly financing Bergslagets Skogar's repayment of the Back-to-Back Loan as well as payment of transaction related costs.

The availability of the SEK 6 billion senior secured facilities agreement is subject to satisfaction of an agreed loan to value ratio[1)] and other customary conditions precedent, and the financing has been agreed to be made available under a SEK 2 billion three-year term loan facility and a SEK 4 billion five-year term loan facility, both to be guaranteed by Bergslagets Skogar and secured by property mortgages granted by Bergslagets Egendomar AB.

The availability of the SEK 3.5 billion secured facility agreement is subject to satisfaction of an agreed interest cover ratio[2)] level and loan to value ratio[3)] and certain other customary conditions precedent. The financing has been agreed to be made available under a seven-year term loan facility to be guaranteed by Bergslagets Skogar and secured by property mortgages granted by Bergslagets Egendomar AB. Under the SEK 3.5 billion facility agreement Bergslagets Egendomar AB has undertaken to ensure that the property mortgage security remains at agreed coverage level and to comply with the above-mentioned loan to value covenant.

Stora Enso has entered into the Facilities Agreements for the account of Bergslagets Skogar with respect to the guarantee obligations thereunder which become effective as of the Effective Date, but the rights and obligations of Stora Enso under both financing agreements are to be transferred to, and will be binding towards, Bergslagets Skogar as guarantor as of the Effective Date, following which Stora Enso will be released from all liabilities thereunder.

Bergslagets Egendomar AB intends to arrange interest rate hedging with respect to all or part of the aggregate principal amount of the financings under the Facilities Agreements.

Further financing for the Group in the form of a revolving credit facility is intended to be arranged to be in place as of the date of completion of the Demerger.

1) Loans owed by Bergslagets Skogar and Bergslagets Egendomar AB and secured by real property mortgages (with certain exceptions) to the aggregate market value of all real property owned by Bergslagets Egendomar AB determined in accordance with a valuation, in each case excluding deduction of deferred tax liabilities.
2) The ratio of EBITDA to net interest expenses of Bergslagets Egendomar AB.
3) The aggregate amount of loans owed by Bergslagets Skogar secured by real property mortgages and loans owed by Bergslagets Egendomar AB (with certain exceptions) as a percentage of the aggregate market value of all real property owned by Bergslagets Egendomar AB determined in accordance with a valuation (excluding deduction of deferred tax liabilities).

Risk factors

This section describes the risk factors and important circumstances that are considered to be material to the Demerger as well as Bergslagets Skogar's business and future development. The risk factors included in the description below relate to the Demerger and Bergslagets Skogar's business, industry and markets, and also include legal and regulatory risks, financial risks and risks relating to the shares to be issued as Demerger Consideration. The assessment of the materiality of each risk factor is based on the probability of its occurrence and the expected magnitude of its negative impact. Unless a risk factor specifically refers to the Demerger, the risks presented in this section describe the effects of their materialization on the Company's business operations following the eventual completion of the Demerger. Provided that the Demerger is completed, a description of the risks relating to the Company and the shares to be issued as Demerger Consideration will also be included in the prospectus that will be published by Bergslagets Skogar prior to the admission to trading of the Company's shares.

The description below is based on information available to Stora Enso and estimates and assumptions made as at the date of this Information Brochure. If any unforeseen event were to occur, it cannot be precluded that the assessment of the materiality of the risks becomes wholly or partially obsolete. In each category below, the risk factors are listed in a manner which is consistent with Stora Enso's assessment of the materiality of the risk factors based on the probability of their occurrence and the expected magnitude of their negative impact.

Risks related to the Demerger

There is no certainty that the Demerger will be completed, or the completion may be delayed, and any delay in the completion of the Demerger could result in increased expenses and require increased resources from Stora Enso's management and other personnel

The separation of the Swedish Forest Assets Business from Stora Enso and the incorporation of Bergslagets Skogar through the Demerger will become effective if the EGM approves the Demerger Plan and resolves on the Demerger in accordance with the Demerger Plan, and if Stora Enso's Board of Directors subsequently resolves to apply for the registration of the completion of the Demerger in accordance with the terms and conditions of the Demerger Plan and such completion is then registered with the Finnish Patent and Registration Office and the Swedish Companies Registration Office. On 2 November 2026, Stora Enso announced that the Board of Directors of Stora Enso had decided to convene the EGM to be held on 15 December 2026 to resolve on the Demerger in accordance with the Demerger Plan. The Demerger and the Demerger Plan must be approved by Stora Enso's shareholders representing at least two-thirds (2/3) of the votes cast and shares represented at the EGM. Additionally, it is required that the decision is supported by a qualified majority within each of the share classes represented at the meeting. The Board of Directors of Stora Enso may at any time prior to the completion of the Demerger, including after the EGM resolving upon the Demerger, decide not to complete or implement the Demerger, if the Board of Directors of Stora Enso, in its sole discretion, considers that there are material grounds due to which such non-completion would be in the best interest of Stora Enso and its shareholders. The Demerger also requires completion of all conditions to completion included in the Demerger Plan, all applicable legal approval, notification, negotiation, consultation and other procedures, such as co-determination and works council negotiations, as well as any other potential legal procedures in all impacted countries, including approvals by the financial regulatory and other authorities.

There can be no assurance that the EGM will approve the Demerger. Should the Demerger be delayed or not completed at all, this could have a material adverse effect on Stora Enso's and Bergslagets Skogar's future prospects as well as on the market price of Stora Enso's shares. If the Demerger is delayed, additional costs could be incurred both to Stora Enso and Bergslagets Skogar, and the prolonged Demerger process would require additional resources from Stora Enso's management and personnel.

The completion of a demerger pursuant to the Finnish Companies Act includes a creditor notice process, during which certain creditors of the demerging company (i.e., creditors of Stora Enso) may object to the Demerger until the due date of the creditor notice period. In the Demerger, such due date is 15 February 2027. If any of Stora Enso's creditors object to the Demerger in the creditor notice process and do not revoke such objection, the Finnish Patent and Registration Office would not be able to register the completion of the Demerger until a competent court has

issued a confirmation judgment stating that the objecting creditor has received payment for its claims or security has been granted for the payment of the objecting creditor's claims. Although Stora Enso has obtained consents and waivers from certain of its lenders (see the section "*Information regarding the Demerger – Creditor consents and waivers*"), there can be no assurance that other creditors of Stora Enso will not object to the Demerger in the creditor notice process, which may delay or prevent the completion of the Demerger.

If the Demerger would not be approved by the EGM, or the Demerger is otherwise not completed, the already incurred Demerger and listing preparation costs will be borne by Stora Enso and the contribution of time and resources of Stora Enso's management and personnel directly connected to the Demerger process will be lost.

The Demerger may fail to realize anticipated benefits

The Demerger and listing of the shares in Bergslagets Skogar are expected to unlock the full potential of the Swedish Forest Assets Business as well as optimize capital allocation and reduce complexity. Moreover, the Demerger aims to enhance focus on Bergslagets Skogar's core business strengths and market opportunities, thus allowing the Company to be assessed on its own merits and thereby maximize operational and shareholder value. The Demerger is expected to enable Bergslagets Skogar to successfully realize its strategies under the leadership of a separate management team, with a separate Board of Directors and independent access to capital. It is also expected that Bergslagets Skogar, as a separate company, will be better positioned to meet the challenges and different demand drivers faced by the industry Bergslagets Skogar will be active in. There is a risk that the anticipated benefits of the Demerger may not be realized should the assumptions underlying the decision to carry out the Demerger turn out to be incorrect, or if the anticipated benefits or underlying drivers have been overestimated. For example, Bergslagets Skogar, as a stand-alone company, may not be able to procure external financing or other financial services on conditions as favorable as those obtainable by Stora Enso before the Demerger. On a stand-alone basis, Bergslagets Skogar could suffer from decreased revenues or additional costs, which could have a material adverse effect on Bergslagets Skogar's business, financial condition and results of operations and consequently lead to the anticipated benefits of the Demerger not being realized.

Bergslagets Skogar may become liable for certain obligations of Stora Enso after the completion of the Demerger

Bergslagets Skogar will be incorporated as a result of a statutory cross-border partial demerger in accordance with the Finnish Companies Act and the Swedish Companies Act. Pursuant to the Finnish Companies Act, all companies participating in a demerger are jointly and severally liable for the debts of the demerging company that have arisen prior to the registration of the completion of the demerger. The liability of a participating company for debts and liabilities that have been allocated in the demerger plan to another participating company is limited to a maximum amount equal to the value of the net assets received or retained by the first-mentioned participating company in the demerger ("**Secondary Demerger Liability**"). However, a creditor may demand payment based on the Secondary Demerger Liability only after it has been established that no payment will be received from the primarily liable participating company to which such debt was allocated in the demerger plan or, if applicable, out of the proceeds of a security posted for the relevant liability.

In the Demerger, all known, unknown and conditional assets, rights, debts and liabilities (including agreements, offers, offer requests and undertakings) of Stora Enso existing on the Effective Date which relate to, or primarily serve, the Swedish Forest Assets Business will be transferred to Bergslagets Skogar. Consequently, all businesses of Stora Enso other than the Swedish Forest Assets Business, i.e., all such known, unknown and conditional assets, rights, debts and liabilities (including agreements, offers, offer requests and undertakings) of Stora Enso existing on the Effective Date that relate to, or primarily serve, Stora Enso's other businesses than the Swedish Forest Assets Business (such other businesses including, without limitation, renewable materials and packaging) as well as all other known, unknown and conditional assets, rights, debts and liabilities that have not been specifically allocated to Bergslagets Skogar under the Demerger Plan will remain with Stora Enso in the Demerger.

In addition, Stora Enso has prior to the Demerger conducted certain intra-group transactions to facilitate the establishment of Bergslagets Skogar's group structure, including demergers. While Stora Enso is not aware of any joint or residual liabilities or related claims in this regard, it cannot be excluded that companies belonging to the Group might still become jointly or secondarily liable for certain liabilities initially intended to remain with the Stora Enso Group, or which have been previously unknown. Such liability could arise, for example, pursuant to contractual obligations, liabilities based on local demerger legislation similar to the Secondary Demerger Liability or other claims presented by creditors, contractual counterparties, regulators or other third parties.

As of the Effective Date, Bergslagets Skogar may be liable, up to the maximum amount of the net assets transferred to it in the Demerger, for debts and liabilities allocated to Stora Enso in the Demerger Plan, if such debts or liabilities have arisen before the Effective Date and no payment has been or will be received from Stora Enso with respect to such debts or liabilities when they fall due. Should Bergslagets Skogar's liability with respect to a debt or liability allocated in the Demerger Plan or in previous intra-group transactions to Stora Enso be realized, this could have a material adverse effect on Bergslagets Skogar's business, financial condition, results of operations, future prospects or the price of its shares.

Bergslagets Skogar's brand is not well-known in the market

Following its incorporation, an important factor for Bergslagets Skogar in securing a strong market position is for Bergslagets Skogar and its brand to become well-known and associated with positive values by future customers and employees, as well as by current employees of Bergslagets Skogar as a part of the Stora Enso Group. Operating as a stand-alone company, Bergslagets Skogar could have difficulties in establishing brand recognition and market position equivalent to that enjoyed by Bergslagets Skogar as part of the Stora Enso Group, whose brand has been established in Sweden and internationally for a long time.

Although Bergslagets Skogar and Stora Enso have entered into the WSA, Bergslagets Skogar will need to actively market its offering to secure a favorable position in the market and broaden its customer base. A lack of sufficient brand recognition could lead to difficulties for Bergslagets Skogar in attracting new customers and expanding its customer base beyond Stora Enso, which could result in higher costs for sales and marketing. A weakened market position and brand recognition could further lead to difficulties in attracting and retaining employees. These factors could have a material adverse effect on Bergslagets Skogar's business, financial condition, future prospects and results of operations.

Risks related to Bergslagets Skogar's business, industry and markets

Bergslagets Skogar's operations will be affected by global macroeconomic conditions and the geopolitical environment

Bergslagets Skogar will conduct forestry operations and trade in wood raw materials through the sale of harvesting rights. Demand for wood raw materials is primarily driven by the underlying demand for the products produced by Bergslagets Skogar's customers, which means that Bergslagets Skogar's sales and profitability will be closely connected to the markets within the sectors where Bergslagets Skogar's customers operate. Product categories produced by wood raw materials are, for instance, sawlogs, pulpwood (trees and tree parts that cannot be used by sawmills) and logging residues. A decline in demand for, or prices of, sawlogs or pulpwood would therefore negatively affect Bergslagets Skogar's revenues and result. For example, the market for construction timber is mainly dependent on developments in the construction market, both in Sweden and internationally, while the market for pulpwood is primarily influenced by demand for packaging material, hygiene products and other paper products. Negative developments in international markets could affect demand for products from both the sawmill industry and the pulp and paper industry, indirectly affecting the demand for Bergslagets Skogar's wood raw material.

Roundwood is a high-bulk, low-value raw material that is generally not economical to transport over long distances, and the large majority of Bergslagets Skogar's customers are located in Sweden. Bergslagets Skogar's Swedish customers compete with producers in other regions that are not dependent on Nordic wood raw material, including producers with access to lower-cost fiber, such as eucalyptus-based fiber, or that operate newer and more efficient production assets. Should any of Bergslagets Skogar's customers lose market share to such competitors, this could reduce demand for Bergslagets Skogar's wood raw material, irrespective of overall global demand trends for the end products concerned. Any such developments could have a material adverse effect on Bergslagets Skogar's business, financial condition and results of operations.

Bergslagets Skogar's operations may be affected by a range of macroeconomic and geopolitical factors. Economic downturns and recessions are characterized by declines in consumer and government spending, business investments or construction activity which typically result in decreased demand for the products produced by Bergslagets Skogar's customers, which in turn would reduce demand for Bergslagets Skogar's supply of wood raw materials. Demand for various end products produced from wood raw material can differ globally across regions. For example, the decline in paper demand has primarily been driven by changes in consumer behavior, whereas reduced demand for construction timber has generally been the result of periods of general economic downturns. Further, the industry and market in which Bergslagets Skogar will operate is characterized by high integration between suppliers, customers and competitors. The degree of horizontal and vertical integration between the market actors will entail that risks which affect Bergslagets Skogar's suppliers, customers and competitors will also affect Bergslagets Skogar. The integrated nature of the market will make Bergslagets Skogar particularly susceptible to macroeconomic and geopolitical factors which affect its suppliers, customers and competitors. Sharp market corrections, changes in consumer behavior or general economic uncertainty could therefore have a material adverse impact on Bergslagets Skogar's profitability, cash flow and financial condition.

Global economic conditions have been, and are likely to continue to be, affected by concerns over increased geopolitical tensions, such as the regional conflict in the Middle East and other parts of the world. For instance, following Russia's invasion of Ukraine in February 2022, the United States, the European Union and the United Nations, among others, imposed several tranches of economic sanctions against Russia, the breakaway regions of Donetsk and Luhansk as well as Belarus. In response, Russia imposed several counter-sanctions, trade restrictions and other retaliatory measures. There can be no assurance that further sanctions, counter-sanctions or other measures will not be imposed. These existing and increasing sanctions create a complex system that affects international trade and finance, the global economy, energy and raw materials market in Europe and the rest of the world, and have contributed to currency fluctuations and inflation, all of which could affect Bergslagets Skogar's profitability and cash flow as well as the demand for Bergslagets Skogar's wood raw materials.

Moreover, global supply chains, regulatory changes, or heightened tensions on the global stage could result in trade barriers, disrupted supply chains and adversely affect Bergslagets Skogar's as well as its customers' operations and reduce the demand for wood raw materials. For example,

the imposition of trade tariffs by the United States administration and a trade war between the United States and several other countries, as well as any escalation in trade tensions between the United States and China, could disrupt trade patterns and adversely affect Bergslagets Skogar's customers' operations and ultimately Bergslagets Skogar's operations. There is an increased risk of geopolitical instability and the adverse effects resulting therefrom, and the potential realization of these risks is difficult to predict. Similarly, ongoing conflicts and instability in the Middle East have increased geopolitical uncertainty, contributed to volatility in energy markets, and may further disrupt global trade routes, supply chains and financial markets, which could adversely affect global macroeconomic conditions. Tightening central bank measures and increasing interest rates have contributed to turmoil in the global economic and financial markets in recent years, which may also negatively affect Bergslagets Skogar. Any future economic downturn, recession or global tension could increase the uncertainty in macroeconomic conditions and the global economy.

The rapidly changing macroeconomic environment and geopolitical landscape may mean that Bergslagets Skogar will face complexity or lower visibility in, for example, customers' orders, which are influenced by fluctuations in interest rates and financing costs. In addition, turmoil in the capital and credit markets may result in decreased availability of credit, which could have an adverse effect on the global economy and, consequently, on the markets for Bergslagets Skogar's products. The current geopolitical circumstances pose a notable risk of an increase in protectionist measures, which could distort competition in the market and require companies not benefiting from such support to curtail capacity and take other measures to remain competitive. An increase in protectionist measures could materially shrink global trade.

The continuing market uncertainties described above may materially affect Bergslagets Skogar's business conditions. This challenging market environment may continue, which could adversely affect the demand for products and lead to reduced deliveries and lower wood prices. For example, the challenging construction sector could have an adverse effect on Bergslagets Skogar's products, weighing down on demand, pricing and deliveries. Should any of the above risks materialize due to market uncertainties, or otherwise, it could have a material adverse effect on Bergslagets Skogar's business, financial condition and results of operations.

Furthermore, economic conditions may be affected by various additional events that will be beyond Bergslagets Skogar's control, such as natural disasters and epidemics. The trend towards nationalist anti-globalist policies may continue to grow, with border checks on both goods and people becoming more stringent and national interests promoted, and this trend has been amplified by, for example, Russia's invasion of Ukraine and related sanctions and trade restrictions. There is also a risk that even more open economies, such as those in Western Europe and Asia, enact policies in direct opposition to globalization.

Any economic downturn, slowing in economic growth or recession could have a material adverse effect on Bergslagets Skogar's business, financial condition and results of operations. These conditions will be beyond Bergslagets Skogar's control and its management is not in a position to reliably estimate their effects on the Group.

Risks related to fluctuations in wood prices, volume and demand

Prices for wood have been volatile in recent years. The prices are subject to significant fluctuations affected by changes in capacity, production and demand for wood, which are influenced by, among other things, general economic conditions and major global events, as well as forestry and biodiversity regulations related to harvesting levels and forest management choices. In addition, events resulting in large-scale damage to forests, such as forest fires, storms or insect epidemics, may result in fluctuations in capacity and demand for wood in the market in which Bergslagets Skogar will operate.

Changes in capacity, production and demand may result in periods of imbalance between supply and demand, during which periods wood prices may fluctuate significantly. For example, the economic sanctions imposed against Russia following Russia's invasion of Ukraine in 2022 practically stopped wood imports from Russia which increased the demand for Swedish wood and, together with declining bark beetle-related salvage harvest and rising energy and harvesting costs, resulted in a substantial increase in wood prices in Sweden. Should any peace negotiations be successful and the sanctions regime against Russia cease to exist, this could result in increased wood imports from Russia and may lower the market prices for wood, both in Sweden and on the global market. This could put downward pressure on the wood prices charged by Bergslagets Skogar and result in Bergslagets Skogar being unable to compete effectively and forced to reduce its prices. A change in the geopolitical atmosphere which increases imports of Russian wood on the global market could thereby result in the market becoming over-supplied, which could potentially depress the prices for Bergslagets Skogar's wood and impact Bergslagets Skogar's competitiveness and thus have a material adverse effect on Bergslagets Skogar's business, financial condition and results of operations.

In addition, the forest industry is subject to seasonal changes. The sales resulting from wood supply deliveries tend to vary with season, with higher sales in late spring and autumn, and lower sales during summer and winter periods. Under the WSA, as further described in the section "*Material agreements for Bergslagets Skogar – The wood sales agreement with Stora Enso*", no distinction is made between the seasons; the same volume commitment applies to each respective quarter throughout the year, entailing that variations will be lower during the commencement of the WSA and during its initial years, and thereafter may increase as the committed volumes decrease. A combination of imbalance between supply and demand with seasonal price fluctuations, as well as sustained weak demand and excess supply in the wood market, could negatively affect the prices Bergslagets Skogar is able to charge for its wood supply. Price volatility and fluctuations in demand can also result in difficulties for Bergslagets Skogar to predict revenues and manage its operations efficiently. The volatile nature of wood prices, volumes and demand could therefore

have a material adverse effect on Bergslagets Skogar's business, financial condition and results of operations.

Risks related to storms, fires or other natural events

Bergslagets Skogar's forests may be significantly damaged as a result of natural events, including storms, fires, droughts, floods, accidents or other calamities. Such incidents could result in loss of assets and additional costs to Bergslagets Skogar. The impact of such natural events varies depending on the type of event. Forest fires typically render the affected wood unsuitable for extraction, resulting in a near-complete loss of assets. Storm damage, by contrast, generally still allows for extraction of the felled or damaged wood, though at greater operational complexity and expense. Clean-up work following storms would place strain on the Company's organization by disrupting normal and planned operations. Consequently, a storm that causes significant damage to the forest would entail a direct financial loss for Bergslagets Skogar, through deteriorated operating profit and a reduced value of the forest assets. For example, the storm which swept through Sweden in December 2025 had a negative impact on the biological assets to be transferred to Bergslagets Skogar. For the financial year ended 31 December 2025, SEK 635 million of biological assets were reclassified to inventory and SEK 321 million, through a write-down, reduced the change in net value of biological assets related to the damages. Work to manage the storm-damaged forest continued throughout 2026.

While storms mostly occur in the winter when the ground is frozen or nearly frozen, flooding may occur in the snow-free months, and if severe, could cause deterioration in wood quality due to prolonged exposure and delaying extraction by hindering transporting activities. Such conditions could ultimately result in a reduction in the value of the affected assets. Any significant damage to Bergslagets Skogar's forest assets, whether caused by fire, storm, flood or other natural events, and any additional costs resulting from such events, could have a material adverse effect on Bergslagets Skogar's business, financial condition and results of operations. An increase in the frequency of storms may also lead to an increase in outbreaks of spruce bark beetle as further described in the section "*Risk factors – Risks related to wildlife, insect infestations and other biological threats*".

While Bergslagets Skogar will hold insurance to cover damage to its forest assets, there can be no assurance that Bergslagets Skogar's insurance coverage would adequately cover all such costs, if at all. Increased storms, fire or other types of damage and high occurrence of such events may also adversely affect Bergslagets Skogar's insurance premiums, which could have a material adverse effect on Bergslagets Skogar's business.

In addition, the ability to harvest wood is subject to natural events such as forest fires and prolonged droughts. The occurrence of any of these events could adversely affect Bergslagets Skogar's customers' ability to harvest purchased wood, which could in turn have a material adverse effect on Bergslagets Skogar's business, results of operations and cash flows. The ability to efficiently harvest wood is also susceptible to changes in weather conditions and, therefore, the impact of the seasonal variations and any long-term disruptions in Bergslagets Skogar's customers' harvesting operations caused by unfavorable weather conditions could have a material adverse effect on the results of Bergslagets Skogar's business operations.

Bergslagets Skogar will rely on third-party contractors and subcontractors

Bergslagets Skogar's ability to manage its forests in an adequate manner will be dependent on third-party contractors performing forest management work on behalf of Bergslagets Skogar, such as services related to silviculture, site preparation, harvest planning, management of roads and quarrying and crushing rock for road construction as well as nature inventory. While Bergslagets Skogar, as a result of it being part of the Stora Enso Group prior to the Demerger, will have several long-lasting relationships with suppliers, and will assume the Stora Enso Group's various contracts for these types of services in connection with the Demerger, the suppliers' commitments under such contracts are typically agreed for shorter periods of time, ranging from one to two years on average, which means that Bergslagets Skogar will generally operate with limited contractual assurances of continued supply of services, including in respect of certain pricing or access to certain products. If a contractor or supplier were to be unable or unwilling to continue to provide services to Bergslagets Skogar, or should a contractor or supplier terminate its operations, Bergslagets Skogar may not be able to identify and develop a suitable relationship with a new contractor or supplier who could satisfy Bergslagets Skogar's standards in terms of quality, price and need for services or access to products and supplies in a timely and efficient manner (see the section "*Risk factors – Risks related to the Company's ability to attract and retain key employees, senior executives and contractors*"). In addition, Bergslagets Skogar may also need to replace a contractor or supplier if its services or products were not to meet Bergslagets Skogar's requirements with respect to quality, price, environmental and biodiversity compliance, or other standards. The loss of, or a substantial decrease in the availability of services and products from Bergslagets Skogar's contractors and suppliers could have a material adverse effect on Bergslagets Skogar's business, financial condition and results of operations.

Bergslagets Skogar will be dependent on its largest customer

Bergslagets Skogar has entered into the WSA, which will be valid for a period of 18 years following the Demerger, with the purpose of, among other things, providing Bergslagets Skogar with a committed demand base while growing its own customer base. Under the WSA, predefined volumes of wood will exclusively be sold to Stora Enso, with the exclusive volumes decreasing over the duration of the WSA and non-exclusive volumes becoming increasingly available for other customers. The WSA will provide Bergslagets Skogar with a stable long-term customer for certain volumes of wood and will secure a significant portion of Bergslagets Skogar's aggregate sales during the duration of the WSA. However, there is no guarantee that Stora Enso will purchase

the non-exclusive volumes from Bergslagets Skogar as the committed volumes decrease. Bergslagets Skogar may not be able to attract alternative customers for the non-exclusive volumes due to different reasons and there is a risk that the terms offered to new customers may be less favorable than those currently secured under the WSA. If contractual terms become less advantageous, or if Bergslagets Skogar were to fail to successfully diversify its customer base and the sales to its largest customer were to decrease, this could have a material adverse effect on Bergslagets Skogar's business, financial condition and results of operations.

The wood prices under the WSA are set at market-based rates, which will limit the predictability of Bergslagets Skogar's sales. Prices for wood are subject to significant price fluctuations attributable to, among other things, supply and demand, geopolitical conditions and macroeconomic factors (see the section "*Risk factors – Risks related to fluctuations in wood prices, volume and demand*"). Any volatility in market wood prices would put pressure on the prices charged by Bergslagets Skogar and could, as a result, have a material adverse effect on Bergslagets Skogar's business, financial condition and results of operations. While the WSA includes certain mechanisms intended to address significant deviations in pricing, there can be no assurance that such mechanisms will fully mitigate the effects of adverse market developments. Additionally, should the terms of the WSA not align with the conditions prevailing in the market, Bergslagets Skogar may, for the duration of the WSA, face the risk of operating under less favorable conditions than the market provides, which in turn could have a material adverse effect on Bergslagets Skogar's business, financial condition and results of operations.

In addition, there is a risk that Stora Enso may not abide by or may otherwise breach the WSA, including by failing to purchase or harvest the agreed volumes. Under the WSA, Stora Enso will be obliged to purchase and harvest the agreed volumes, and any shortfall is subject to economic compensation mechanisms. However, there can be no assurance that Stora Enso will perform its obligations in full or meet its payment obligations, or that any such compensation will be timely received or fully enforceable. Any such non-performance, non-payment or delays in enforcement could have a material adverse effect on Bergslagets Skogar's business, financial condition and results of operations.

The Group's success will be dependent upon its reputation and any damage to it may have an adverse effect on the Group

The Group's success will, among other things, depend on its reputation and any damage to it could have a material adverse effect on the Group's ability to obtain and retain customers as well as to recruit and retain personnel or contractors. Any negative event or negative publicity could, whether attributable to the Group or not, cause damage to the Group's reputation.

The use of forest land is from time to time subject to debate and changes in political opinion driven by, among others, non-governmental organizations, regarding forest management and areas of use. There is a risk that conflicts with non-governmental organizations and other interested parties over forest management practices and biodiversity, as well as broader shifts in political opinion, may affect the reputation of Bergslagets Skogar's operations and forestry practices and/or lead to changes in laws and regulations that impose restrictions on forestry, which could negatively affect Bergslagets Skogar's profitability and the value of its forest land. Although Bergslagets Skogar aims to comply with applicable laws and regulations, and sustainability management will be an important part of its business practices, Bergslagets Skogar will be sensitive to stakeholder activism and may face campaigns that, regardless of whether these are based on accurate and relevant claims or not, may affect the confidence in Bergslagets Skogar and thereby result in a decreased demand for its wood raw materials, which could have adverse consequences on Bergslagets Skogar's sales and thereby adversely affect its results of operations.

Bergslagets Skogar's forestry operations could result in negative impacts on biodiversity, such as damage to key habitats or species, in areas where Bergslagets Skogar will operate. Although biodiversity management is an integral part of Bergslagets Skogar's business, there can be no assurance that Bergslagets Skogar will be able to ensure that all species are maintained at each location and at all times. Broad scale loss of biodiversity could adversely affect the health and resilience of forests, which may impact the value of Bergslagets Skogar's forest assets and potentially affect prices on wood. There is further a risk that negative impact on red-listed species due to failure to comply with environmental laws or regulations or otherwise directly or indirectly caused by the forestry operations could lead to reputational damage and ultimately affect the acceptability of wood as a raw material, subsequently negatively affecting Bergslagets Skogar's business. In addition, Bergslagets Skogar's forest management activities may give rise to conflicts with neighboring residents or landowners, for instance in relation to harvesting activities or leasing of land for wind power projects. Such conflicts could result in legal disputes, delays to operations, restrictions on land use, or requirements to modify or cease certain activities, which could cause reputational damage and therefore have an adverse effect on the Group's business (see the section "*Risk factors – Bergslagets Skogar's business operations are subject to permits and other approved notifications*").

Furthermore, legal and/or administrative proceedings may arise at the initiative of authorities, non-governmental organizations or other counterparties, as a result of, among other things, a potential breach of antitrust laws or other non-compliance with laws and regulations, allegations related to, for example, species protection, negligent behavior contributing to causing forest fires, damage to cultural heritage sites or ancient monuments, or violations of restrictions on land use, all of which could cause reputational damage and have an adverse effect on Bergslagets Skogar's business.

Risks related to IT system security and the accuracy of forest data provided by third parties

The Group will be dependent on a range of IT systems for its operational and administrative activities, including for the purpose of monitoring the forest assets and planning the silvicultural activities and harvesting, as well as for internal and external communications. Disruptions, errors, or breaches in business-critical systems could therefore have a direct impact on important business processes. External threats such as cyberattacks and IT-related extortion aimed at damaging data, stealing data or disrupting digital life through, for example, viruses, denial of service attacks, ransomware and other types of cyberattacks, as well as internal risks such as unintentional data leaks and lack of security awareness among employees, will constitute potential dangers to Bergslagets Skogar's information security. The techniques used to gain unauthorized access to, or to sabotage, systems and data are constantly changing, becoming more sophisticated, and may not be widely known until they are used against Bergslagets Skogar or its third-party suppliers. In recent years, the occurrence of cyber-security breaches and threats to corporate information systems has increased significantly, causing substantial costs for affected companies. In addition, Bergslagets Skogar's IT systems may be damaged or interrupted by increases in usage, damaged hardware, its suppliers' failure to follow service level agreements, network connection issues, natural hazards or disasters or similar disruptive events.

If all or parts of one or more of these IT systems fail in any of the aforementioned respects, and depending on the scale and level of any attack or sabotage, there is a risk that Bergslagets Skogar may not be able to resolve and eliminate such threats immediately after they are detected and there is also a risk that costs will arise for troubleshooting and repair of non-functioning IT systems. To the extent that Bergslagets Skogar were to be subject to a serious failure or disruption of any of its systems or other technical resources or subject to a cybersecurity breach, its ability to operate and manage its business effectively could be adversely affected or lost entirely. In addition, the accidental disclosure of confidential information due to a failure to follow information handling guidelines, as a result of an accident or criminal act, may result in financial damage, penalties, loss of customer and market confidence, loss of research secrets, breach of data privacy regulations, and other business-critical information. Depending on the extent of the damage, this may have a material adverse effect on Bergslagets Skogar's reputation, IT-related costs, and financial condition.

Many of the IT systems to be used by Bergslagets Skogar are largely based on data from third parties, such as the Swedish Forest Agency, including data on topography and growth estimates. Should any of the third-party data used in Bergslagets Skogar's planning and monitoring operations be false or inaccurate or subject to data breaches, it could adversely affect Bergslagets Skogar's business forecasts and Bergslagets Skogar's ability to effectively plan its forest management and business.

Bergslagets Skogar will further be dependent on maintaining relationships with its IT suppliers, including maintaining existing or similar terms. Should any of its most critical IT suppliers stop their provision of services to Bergslagets Skogar, the Group could face difficulties in replacing such suppliers on short notice, on similar terms or at all, which could lead to increased costs for the Group and, by extension, have a negative impact on Bergslagets Skogar's results of operations.

Risks related to wildlife, insect infestations and other biological threats

Bergslagets Skogar's operations will depend on healthy forests. Wild animals, particularly moose and other ungulates such as fallow deer, red deer, and roe deer, as well as wild boar, can cause damage to trees and tree seedlings, which may lead to failed regenerations that require additional regeneration and planting activities, stunted growth and production losses. Excessive browsing pressure reduces growth, both by destroying tree seedlings and by causing defects in growing trees, which limits their processing potential. There is a risk that the degree of processing potential could deteriorate to such an extent that defective trees can only be used for pulp or energy production rather than sawlog, which would adversely affect Bergslagets Skogar's profitability and product mix. Wildlife also hampers the establishment of new tree species, particularly broadleaved ones, as many of these species are popular to browse for wildlife.

Pest insects, such as the pine weevil, spruce bark beetle, and fungal diseases, including Heterobasidion root rot, are significant biological risks affecting Bergslagets Skogar's forest stands and operations. These risks may cause tree mortality, reduce forest growth, and impair timber quality, resulting in economic losses and lower forest asset values. Spruce bark beetle outbreaks can cause extensive damage, particularly following storms or other disturbances that create large volumes of windthrown, damaged or otherwise weakened trees that provide breeding material for the insect. If infestations are not detected and controlled in a timely manner through measures such as monitoring and sanitary harvesting, bark beetle populations may spread to healthy stands, resulting in significant tree mortality and loss of timber value. Likewise, Heterobasidion root rot is a persistent threat in spruce dominated forests. Ongoing infestations of root rot, as well as damage from wildlife browsing, may increase depending on climate conditions, wildlife management and other factors, potentially resulting in greater losses. Root rot can reduce growth in affected stands and damage the wood, rendering timber unsuitable for sawlogs and requiring reclassification to lower-value products such as pulpwood or energy wood. As a result, root rot may significantly reduce the economic value of affected forest assets. More generally, climate change may increase the frequency and severity of biological damage by creating conditions that favor pest insects and forest pathogens, or by increasing the occurrence of storms and other disturbances that can trigger large-scale infestations.

Bergslagets Skogar also faces the risk of new serious pest insects and fungal diseases, not currently established in Sweden, causing damage to its forests (see the section "*Risk factors – Risks related to changes in climate and any related biodiversity loss*"). Reduced access to, and possible

future limitations in usage of peat and fungicides in seedling production due to, among other things, regulatory or certification requirements, further increases the risk of pests in nurseries and seed orchards. Spruce cone rust is another biological risk that may result in shortages of spruce seed, which, alongside shortages of seed from other tree species, can lead to reduced forest growth.

Depending on the extent of the damage, there is a risk that an increase in wildlife populations, further pest infestations, and the spread of fungal diseases could have a material adverse impact on Bergslagets Skogar's forest assets, thereby affecting Bergslagets Skogar's results of operations through increased costs and reduced revenues.

Risks related to loss of forest certifications

Forest certification forms a crucial part of Bergslagets Skogar's sustainable forest management. As at 30 September 2026, 100 percent of Bergslagets Skogar's total forest land was certified under internationally recognized forest certification standards. Bergslagets Skogar's forests are certified according to both the FSC and the PEFC standards. FSC and PEFC certification require that forests are managed in an environmentally responsible, socially beneficial, and economically viable manner. Among other things, the certifications include requirements to conserve biodiversity and areas of high conservation value, protect cultural heritage sites, use forest resources responsibly, and ensure that employees are offered terms and conditions of employment in accordance with applicable laws and collective agreements. Maintaining this kind of certifications is important not only for Bergslagets Skogar's sustainability profile and reputation, but also for its business performance and financial condition, as customers and other stakeholders expect independently verified sustainable forest management practices.

Unpredicted changes to forest certification standards could limit the availability of certified wood which could affect Bergslagets Skogar's competitiveness in the market. Bergslagets Skogar's certified forests undergo regular third-party audits to ensure they meet the applicable certification criteria. In Sweden, the FSC forest management standard is under revision, which may change the certification requirements and there is a risk that the requirements may become stricter in the future. This could potentially affect the Group's volume of available FSC certified wood, and Bergslagets Skogar could as a result face reduced harvesting levels of its standing volume and/or increased compliance costs. Deficiencies in the quality of forest management and environmental protection measures, failure to comply with certification requirements as well as shortcomings in the work on and follow-up of social responsibility may result in Bergslagets Skogar losing one or both certifications, which could negatively affect Bergslagets Skogar's reputation and its ability to maintain or attract customers, which in turn could have an adverse effect on Bergslagets Skogar's competitiveness, business, financial condition and results of operations.

Risks related to health, safety and security management

The Group will be exposed to risks related to the health and safety of its employees, contractors and third parties, as well as to security risks that arise from external interference with the Group's operations.

Given the nature of the Group's business, there is a risk of accidents, incidents or disruptions which may cause harm to employees' and others' health and safety. The risk of severe physical injury is higher for employees and contractors engaged in operational work, such as seed and nursery operations or silvicultural activities. In addition to its employees, the Group engages several contractors who perform work on behalf of the Group, which are exposed to the corresponding risks while performing their tasks. Despite proactive measures to identify and manage health and safety risks, serious physical injuries to employees, contractors, or third parties may still occur.

The Group is exposed to security-related risks that arise from external interference by third parties, such as organized actions by non-governmental organizations or others against the Group, its employees and contractors. Any sabotage, vandalism, threats or harassment of employees and contractors from non-governmental organizations may lead to increased workload, stress and sick leave for Bergslagets Skogar's employees and contractors.

Failure by the Group to maintain sufficient levels of health, safety and/or security management could cause harm to the Group's employees and contractors, both in respect of physical and mental aspects. Any such failure could also result in liability towards employees or third parties, harm to the Group's reputation as well as difficulties in attracting or retaining skilled employees or contractors, all of which could have a material adverse effect on the Group's business, financial condition and results of operations.

Risks related to changes in consumer behavior and adoption of substitutes and innovative technologies

Changes in consumer behavior have historically affected and may in the future affect the demand for forest products in general and thereby affect the demand for wood raw materials. The forms of utilizing wood have undergone considerable change due to, among other things, climate change and biodiversity loss, population growth and urbanization, as well as digitalization and the data economy. For example, changes in technology could result in a change of consumer behavior in terms of construction materials. Wood may be replaced by concrete, plastic or steel, which could affect the demand for construction timber and thereby have an adverse impact on Bergslagets Skogar's sales. In addition, technical innovation or changes in regulations may result in the substitution of wood-based packaging materials with alternative solutions, which could cause a decline in the demand for Bergslagets Skogar's wood raw materials. There is a risk that increased use of wood substitutes could adversely affect the demand for wood and result in a negative impact on Bergslagets Skogar's business, financial condition and results of operations.

In addition to substitution of wood as a material, demand for Bergslagets Skogar's pulpwood may decline due to changes in fiber sourcing within the pulp, paper and packaging industry. Producers may increasingly substitute, wholly or partly, Nordic fiber with alternative fiber sources, such as eucalyptus-based fiber, or with recycled fiber. Should such alternatives become more cost-competitive, more widely available or better suited to evolving end-product requirements, demand for Bergslagets Skogar's pulpwood could decline even where overall global demand for the relevant end products remains stable or grows, which could have a material adverse effect on Bergslagets Skogar's business, financial condition and results of operations.

Bergslagets Skogar may be liable for environmental damage or contamination and related costs due to current or historical operations and activities on properties currently or previously owned

According to the polluter pays principle under the Swedish Environmental Code, the operator of the activity that caused the pollution is primarily responsible for the subsequent remediation. If it is not possible to identify or pursue claims against the polluter, the property owner may be held responsible for remediation and related costs. Consequently, there is a risk that subsidiaries within the Group ("**Group Companies**") are held liable for contamination on currently owned, and in the future acquired, properties caused by previous operators, as well as that Group Companies, in their capacity as operators, are held liable for pollution and are required to undertake remediation measures.

Bergslagets Skogar will own significant land areas in mid-Sweden. Given the extent of these land holdings, there is a risk that the properties to be held by the Company may be contaminated to some extent, and that Bergslagets Skogar's review and oversight of all real estate assets may be challenging and complex. Environmental damage arising from Bergslagets Skogar's forestry operations, or contamination caused by other operations or existing contamination on properties either currently owned by Stora Enso and to be transferred to Bergslagets Skogar through the Demerger, or on properties divested to third parties, may result in costs in the form of remediation work, as well as legal and other claims from authorities, private individuals, companies, or other parties seeking compensation for personal injury, property damage, damage to waterways, banks or habitats, or other damage to the environment that is alleged to have been caused by Bergslagets Skogar or for which Bergslagets Skogar will be responsible in its capacity as an operator or property owner. Consequently, risks of environmental damage could arise both directly and indirectly for Bergslagets Skogar in connection with land ownership and forestry operations. Such damage may, for example, result from forestry machinery crossing or operating near watercourses, which could disturb riverbeds, banks and surrounding habitats. Other possible sources of such environmental damage include leakage from portable fuel tanks used in forestry machinery or oil leakage from wind turbines on Bergslagets Skogar's land due to lack of service by the operator. There is a risk that Bergslagets Skogar may become liable for dismantling wind turbines and the subsequent site restoration if the operators of the wind turbines are not able to carry the costs for dismantling the wind turbines for any reason (due to, for example, bankruptcy). In addition, there is a risk that the historical use of pesticides and herbicides within the Company's nursery operations has caused contamination on properties owned by Bergslagets Skogar for which Bergslagets Skogar may become liable, should any contamination be identified. Environmental damage or other contaminations or liabilities arising for Bergslagets Skogar in its capacity as operator or landowner, may therefore constitute a material risk to Bergslagets Skogar by giving rise to costs that affect Bergslagets Skogar's profitability.

There is a risk that costs related to environmental remediation do not fall within the Group's insurance coverage, or that an acquisition agreement with the seller of a contaminated property does not provide adequate protection against liability for environmental contamination, and that the Group will need to allocate more resources, both internal and external, to handle such remediation claims. In addition, a number of the properties owned by Stora Enso's subsidiaries to be transferred to Bergslagets Skogar through the Demerger include sites which are registered in the Swedish register Method of Surveying Contaminated Sites (Sw. *Metodik för Inventering av Förorenade Områden*) (the MIFO registry) as being potentially contaminated properties as a result of potentially environmentally hazardous activities having been conducted or being conducted on the properties.

The Group will be exposed to potential liability for contamination on properties currently owned by Stora Enso's subsidiaries that will transfer to Bergslagets Skogar through the Demerger, and on properties divested to third parties, due to applicable law or contractual liability, or both. Therefore, there is a risk that Bergslagets Skogar's subsidiaries will need to carry out remediation measures which may be costly depending on the extent of the measures required. As a result, Bergslagets Skogar will be subject to material risks for environmental liability through the costs which may be incurred, which could have a material adverse effect on Bergslagets Skogar's business, financial condition and results of operations.

Risks related to contractual liabilities concerning the historical operations in the Falun copper mine

The Swedish Forest Assets Business has a long history relating to Falun and the copper mining activities conducted at the Falun copper mine site. The mine site was designated a UNESCO world heritage site in 2001 and has since 1999 been owned and managed by the foundation Stiftelsen Stora Kopparberget.

Historical operations related to the mine site have resulted in extensive and substantial environmental damage. Even though the mine site and related properties are no longer held within the Swedish Forest Assets Business, a subsidiary of Stora Enso, Stora Kopparbergs Bergslags AB, the ownership of which will transfer to Bergslagets Skogar through the Demerger, is a party to the Framework Agreement with Stiftelsen Stora Kopparberget

governing, among other things, certain environmental indemnifications and obligations related to the Falun copper mine site. Pursuant to the Framework Agreement, Stora Kopparbergs Bergslags AB has, among other things, undertaken to indemnify and hold Stiftelsen Stora Kopparberget harmless for costs of remediation or other similar measures relating to the elimination of both currently known and potential future environmental contamination of the properties related to the Falun copper mine site, provided that such contamination is not attributable to activities conducted by Stiftelsen Stora Kopparberget.

In addition, Stora Kopparbergs Bergslags AB is, pursuant to the Framework Agreement, responsible to maintain the water level in the mine at a certain level below ground. Pumping of mine water is necessary to prevent the water from rising and causing a leak, which could lead to environmental damage due to the risk of heavy metal emissions and thereby result in contaminated water in local areas. Stora Kopparbergs Bergslags AB is responsible for the arrangement and financing of the pumping and treatment of aforementioned mine water, including the disposal of residual from the water treatment. The treatment of mine water is achieved through an agreement with the City of Falun. Following the Demerger, this obligation will instead rest with the Group. The residual waste products arising from the treatment of mine water are sent to an external recipient for disposal which is funded by Stora Kopparbergs Bergslags AB. As at 31 December 2025, the Group's accounted provision for mine water pumping and treatment of mine water amounted to SEK 279 million.

As at 30 September 2026, decontamination efforts related to the historical contamination from the mining activities have largely been completed, and environmental monitoring activities mainly remain. Should any unforeseen remediation need occur that would trigger the indemnification liability under the Framework Agreement, this could lead to additional costs for the Group which in turn could have a material adverse effect on the Company's financial condition.

The Framework Agreement may be terminated at the earliest by the end of 2030, following which it would cease to apply in 2035. If the Framework Agreement were to expire, the Group could nevertheless still face statutory liability exposure for identified remediation needs related to the Falun copper mine site. There is a risk that additional costs will arise in connection with any further need for remediation related to the Falun copper mine, which could have a negative impact on Bergslagets Skogar's financial condition.

Risks related to the Company's ability to attract and retain key employees, senior executives and contractors

Bergslagets Skogar's ability to establish and grow its business as a stand-alone company and provide high-quality forest management will, to a large extent, depend on its ability to attract and retain key management and operating personnel with the level of expertise and knowledge of the industry necessary to conduct Bergslagets Skogar's operations.

There is considerable competition for personnel and Bergslagets Skogar may not be successful in attracting or retaining qualified personnel. The loss of key employees, the inability to attract new or adequately trained employees, or a delay in hiring key personnel could significantly harm Bergslagets Skogar's business and impede reaching the Group's strategic objectives. For example, Bergslagets Skogar's operations will be conducted throughout large parts of Sweden, which will place significant demands on recruitment and skills provision as well as access to competent and qualified contractors (primarily silviculture contractors) who, among other things, will carry out planting and forest management on behalf of Bergslagets Skogar (see the section "*Risk factors – Bergslagets Skogar will rely on third-party contractors and subcontractors*"). As large portions of Bergslagets Skogar's land areas will be located in sparsely populated regions where depopulation and demographic factors can be challenging, the availability of competent labor and contractors may to some extent be limited, entailing that the Company may experience difficulties in recruiting the relevant personnel.

There is, and could in the future be, limited availability of professionals with the relevant experience or expertise. If any of the members of Bergslagets Skogar's Executive Management team or other key employees were to terminate their employment, and if Bergslagets Skogar were to fail to replace them with qualified personnel who can contribute equally to the business, this may have a negative impact on Bergslagets Skogar's business operations. The loss, incapacity or unavailability for any reason of sufficient personnel or contractors, coupled with higher-than-expected payroll and other costs associated with the recruitment and retention of sufficient talent at all levels of the Group and the inability or delay in recruiting new employees, could have a material adverse effect on Bergslagets Skogar's business, financial condition and results of operations.

Risks related to changes in climate and any related biodiversity loss

Climate change may give rise to physical and financial risks for Bergslagets Skogar. Physical risks from climate change include changes in weather conditions, such as an increase in variations in weather patterns, including temperatures and precipitation, and more frequent extreme weather events such as storms and heavy rain which may cause flooding. Such changes could adversely affect forest growth, harvesting and transportation of wood. Drought periods together with higher average temperatures and a higher incidence of storms could also increase the risk of forest fires, insect outbreaks, wind damage and other climate-related impacts, potentially affecting forest asset values and regional wood prices. Accordingly, climate change could have a material adverse effect on Bergslagets Skogar's liquidity, financial condition and results of operations.

Changes in the climate may also affect forest ecosystems by altering biodiversity, i.e. the frequency and distribution of species across the forest landscape. Sustainable forest management ensures the long-term availability of

wood while preserving ecosystems and biodiversity, crucial for forest resilience. However, biodiversity is declining globally, which could, among other things, decrease forests' resilience. Pests from other countries and regions of the world also risk being introduced due to the warmer climate and through, for example, global trade in plants. If serious pests were to become established in Sweden, this could result in extensive damage to Bergslagets Skogar's forests. Climate-related factors will therefore constitute a material risk to Bergslagets Skogar's results of operations and to the value of its forest assets.

Bergslagets Skogar will operate in a competitive market

The forestry industry is characterized mainly by price competition, but Bergslagets Skogar will also compete to attract customers based on other factors such as capacity, adaptability and sustainability. The competitive environment within the industry and imbalances between supply and demand have been principal factors behind fluctuations in wood prices in recent years. There is a risk that Bergslagets Skogar may experience pricing pressure from competitors in the future, both on a regional and international level. New capacity and volume entering the market might distort the demand and pricing of wood, where competitors might be able to offer wood raw materials at lower prices than Bergslagets Skogar. In addition, forced capacity cuts might affect Bergslagets Skogar's profitability. Furthermore, competitors who have lower social responsibility standards may compete with lower compliance, labor and other costs than Bergslagets Skogar, and Bergslagets Skogar may not be able to compete with such companies for the most price-conscious customers. There can be no assurance that Bergslagets Skogar will be able to compete successfully in the future. If competitors are able to offer wood raw materials at lower prices than Bergslagets Skogar or otherwise offer more favorable terms, there is a risk that Bergslagets Skogar may fail to retain its current customers as a part of the Stora Enso Group or attract new customers, which could lead to decreased sales or require Bergslagets Skogar to decrease its prices to remain competitive, which could have an adverse effect on Bergslagets Skogar's sales and profit margin.

Bergslagets Skogar's ability to compete effectively will further be dependent upon access to productive forest land, efficiency in silvicultural operations and its capacity to respond to changes in the market and regulatory landscape. There is a risk that stricter environmental regulations and/or requirements related to forest certification standards may enter into force, which could affect harvesting levels and result in reduced volumes of wood available for sale. Stricter regulations or requirements could also require changes to Bergslagets Skogar's silviculture operations, which could lead to increased compliance costs for Bergslagets Skogar as well as increase the risk of non-compliance (see the section "*Risk factors – Risks related to compliance with environmental laws and regulations*"). The competitiveness of Bergslagets Skogar could be adversely affected if competitors have greater resources or if they are able to react more rapidly to changes in the regulatory landscape. There is further a risk that Bergslagets Skogar may become less competitive if Bergslagets Skogar fails to uphold its forest certifications if such certification requirements were to become stricter in the future (see the section "*Risk factors – Risks related to loss of forest certifications*"). There is a risk that a changed regulatory landscape or increased certification requirements on a national level in Sweden or within EU could reduce Bergslagets Skogar's ability to compete efficiently as the price of raw materials is influenced by the price that can be obtained for the end products further down the value chain, i.e., on the global market. In addition, Bergslagets Skogar may fail to meet increased sustainability requirements from customers in the future if, for example, Bergslagets Skogar fails to uphold certifications. All of the above could reduce Bergslagets Skogar's sales or reduce the demand for Bergslagets Skogar's wood relative to its competitors, which could have a material adverse effect on Bergslagets Skogar's business, financial condition and results of operations.

Digitalization and artificial intelligence have offered new possibilities for forest and wood supply management by enabling more targeted silvicultural and environmental actions. Bergslagets Skogar will use a range of IT systems and technical solutions that help capture forest data which can be used combined with traditional forest inventories and thereby enable better timing of silvicultural interventions, more efficient road and harvest planning, earlier detection of forest health risks and more consistent application of biodiversity measures (see the section "*Description of Bergslagets Skogar – Forest intelligence*"). Bergslagets Skogar will need to continue to improve its digital tools and services in order to develop its operations further and retain competitiveness. Data will also be collected from third parties, which may be false or inaccurate. There is a risk that competitors might develop more advanced solutions or technologies than Bergslagets Skogar, or that competitors may interpret forest data more efficiently or accurately than Bergslagets Skogar and may therefore be better equipped than Bergslagets Skogar to conduct efficient forest management. In addition, Bergslagets Skogar may need to increase its investment costs to support its technical development and maintain its competitiveness. All of the above could impact Bergslagets Skogar's profitability and may adversely affect its business, financial condition and results of operations.

Legal and regulatory risks

Risks related to compliance with environmental laws and regulations

Bergslagets Skogar's operations are subject to various environmental laws, regulations and regulatory requirements. In general, environmental laws and regulations are complex, subject to change and tend to become stricter over time. This means that Bergslagets Skogar's operations may be affected by political or regulatory developments, including changes to forest, biodiversity and other environmental rules and regulations. Environmental laws and regulations encompass a broad range of areas, including forestry, biodiversity and chemicals. Political decisions in these areas could have a diverse impact on Bergslagets Skogar's operations, including by prohibiting or restricting

harvesting operations or the use of certain substances in the Company's operations, which could result in increased operating costs and loss of revenue for Bergslagets Skogar, as well as otherwise restrict or alter Bergslagets Skogar's operations, and reduce possible investment opportunities.

The risk of substantial environmental costs and liabilities is inherent in the forest industry, and there can be no assurance that Bergslagets Skogar will not incur significant costs and liabilities in the future in connection with its operations due to non-compliance, or that the adoption of stricter environmental laws, regulations and enforcement policies will not result in substantially increased compliance costs and/or liabilities for Bergslagets Skogar in the future. New legislation and regulations may be adopted and compliance with any such new rules could be difficult and costly. Emerging regulations and market mechanisms aimed at mitigating climate change could affect Bergslagets Skogar's operations through, for example, restrictions on wood harvesting and changes in forest management practices. Furthermore, a continuous increase in laws and regulations applicable to Bergslagets Skogar could increase the risk of non-compliance as the administrative burden may become more challenging to handle.

Similarly, the interpretation and/or application of existing laws and regulations may change, which could interfere with Bergslagets Skogar's operations and require stricter controls and increase Bergslagets Skogar's costs of compliance. In recent years, the interpretation and application of laws and regulations relating to protection of species, and in particular birds, which are becoming increasingly stricter, have emerged as a growing challenge for forestry operators such as Bergslagets Skogar. The court cases in Sweden concerning appealed felling notifications have increased significantly in recent years, from approximately 200 cases in 2023 to approximately 400 cases in 2024 and approximately 1,000 cases in 2025.[1)] As a result of species protection, activities such as harvesting may be restricted or prohibited in areas where protected species are present, which could impose difficulties for Bergslagets Skogar to plan and carry out its operations. Environmental compliance may cause Bergslagets Skogar to incur significant expenditure and face operational constraints to maintain compliance with applicable environmental laws and to handle an increased regulatory burden, all of which could have a material adverse effect on Bergslagets Skogar's business, financial condition and results of operations.

Furthermore, Bergslagets Skogar could face increased costs and needs for additional resources related to defending and resolving legal claims and other litigation related to, among other things, species protection and the alleged impact of the Group's operations on species and habitats. Due to the uncertainty in the regulatory and legislative processes, as well as the scope of such requirements and initiatives, Stora Enso cannot currently determine the effect such legislation and regulation may have on the Swedish Forest Assets Business.

Bergslagets Skogar's business operations are subject to permits and other approved notifications

The Group includes various operations which require permits for environmentally hazardous activities, or notifications and consultations, such as harvesting activities, operations related to dams as well as operations related to the production of the Falu Rödfärg paint and other paint products. Such permits are subject to conditions that the Group must adhere to, and any failure to comply with the conditions could lead to fines or the withdrawal of permits. The permits may be subject to reassessments and amendments from time to time, which may require Bergslagets Skogar to adhere to stricter conditions that could lead to increased costs and/or restrictions on the Group's operations (temporary or permanent). This may in turn lead to temporary disruptions to operations and affect the Group's ability to meet its contractual obligations and therefore have a material adverse effect on the Group's profitability and financial condition.

In addition, there can be no assurance that the permits will be renewed or that new permits required for planned operations or expansion of existing operations will be obtained on acceptable terms or at all. Any withdrawal or non-renewal of permits or a need to modify operations to comply with new permit conditions could interrupt operations and have a negative impact on Bergslagets Skogar's business. Any inability to conduct certain activities could impair Bergslagets Skogar's ability to utilize its assets effectively, which could have a negative impact on Bergslagets Skogar's business, financial condition and results of operations.

For example, harvesting activities must be notified to the Swedish Forest Agency and may commence at the earliest six weeks after the notification has been submitted to the Swedish Forest Agency provided that the Swedish Forest Agency has not issued any injunctions or otherwise intervened during that period. Such notifications may be subject to appeals from, for example, neighbors or environmental organizations, which could prolong the process and result in the planned harvesting activities being prohibited or restricted. For example, the Swedish Forest Agency could decide to prohibit or restrict harvesting activities due to, among other things, considerations relating to species protection.

Swedish law provides property owners with the possibility to receive compensation when public authorities restrict the use of land, and in June 2026, the Swedish Parliament approved the Swedish government's proposal to introduce a statutory right to compensation amounting to 125 percent of the loss of value if forestry operations are significantly impeded due to species protection. It is not yet decided when these rules will enter into force. Although Bergslagets Skogar may be compensated if harvesting activities were to be prohibited, or otherwise limited, there can be no assurance that the compensation would correspond to the actual financial loss incurred. Any restrictions or prohibitions relating to harvesting activities could poten-

1) Based on information derived from the Swedish Forest Agency.

tially limit the availability of wood raw materials and result in loss of income through reduced harvesting volumes. In addition, such restrictions or prohibitions could result in a decreased market value of the affected forest stand as the forest will age and deteriorate rather than being harvested and regenerated. Therefore, any prohibitions or restrictions relating to harvesting may impair Bergslagets Skogar's future ability to effectively utilize its forest assets, which could have a material adverse effect on Bergslagets Skogar's financial condition and results of operations.

Bergslagets Skogar's operations are subject to competition and antitrust laws and inspections

Bergslagets Skogar's operations are subject to competition and antitrust laws, rules and regulations. In general, these laws are designed to preserve free and open competition by restricting abuse of dominant positions or anti-competitive cooperation in the market in order to enhance competitiveness and economic efficiency. As mentioned above, the market in which the Group operates is highly integrated, which means that Bergslagets Skogar is dependent both horizontally and vertically on its suppliers, customers as well as on its competitors. The high level of integration entails that risks related to antitrust and competition laws and regulations, such as price collaboration and exchange of competitively sensitive information, are inherently present in the industry where Bergslagets Skogar operates. There is a risk that Bergslagets Skogar may interact with its suppliers, customers and competitors in a way that breaches applicable competition and antitrust laws, or that Bergslagets Skogar may not be able to adequately monitor and prevent the occurrence of potentially anti-competitive conduct, which could cause Bergslagets Skogar to incur liability and reputational damage.

Bergslagets Skogar may become subject to inspections, investigations and/or proceedings by national and international authorities for alleged infringements of competition or antitrust laws. Claims, inquiries and proceedings can be time consuming to manage, disrupt normal operations and divert management resources. In addition, fines, damages and claims relating to competition and antitrust infringements can be significant and, if successful, could have a material adverse effect on Bergslagets Skogar's business, financial condition and results of operations.

Risks related to compliance with laws and regulations

Bergslagets Skogar will need to comply with, and will be dependent on its employees, contractors, customers, and other parties complying with, laws and regulations, guidelines and policies as well as industry-related standards regarding, among other things, working environment, health and safety, labor law, trade restrictions, antitrust, anti-corruption and data protection. Violations of, or failure to comply with, applicable laws and regulations by any such party or other unethical acts may have an adverse effect on Bergslagets Skogar's business and reputation. There is a risk that Bergslagets Skogar may not succeed in establishing and maintaining sufficiently clear and appropriate guidelines and procedures in these respects or succeed in monitoring compliance in an appropriate manner.

Bergslagets Skogar's supply chain set-up entails a reliance on third parties which will expose Bergslagets Skogar to increased challenges with exercising effective control. The Group engages several contractors, and it is possible that such contractors do not comply with relevant antitrust, anti-corruption or human and labor rights standards. There is a risk that Bergslagets Skogar may fail to monitor and ensure that contractors do in fact comply with relevant rules, rights and standards. Bergslagets Skogar's contractors may further, from time to time, use subcontractors for the performance of different services for the Group, including silviculture activities, which may further aggravate difficulties for Bergslagets Skogar with monitoring compliance with laws and regulations, as well as Bergslagets Skogar's own policies, guidelines and code of conduct.

If Bergslagets Skogar, its employees, contractors or customers would fail to comply with applicable rules and regulations and internal and/or external guidelines and standards, or act in a manner that is not consistent with the level of professional ethics and integrity to which Bergslagets Skogar is committed, it could cause damage to Bergslagets Skogar's reputation, cause Bergslagets Skogar to incur fines or penalties, and potentially lead to adverse actions from customers or other parties, including boycotts, which could have an adverse effect on Bergslagets Skogar's business, financial condition and results of operations.

Bergslagets Skogar is subject to restrictions related to the use of land

Bergslagets Skogar's right to manage its own forest is essential for maintaining its value. The use of forests and land is regulated, both nationally and at EU level, and to ensure active and sustainable forest management, it is important that laws and regulations allow for sustainable business operations. Landowners are legally required to permit limited state intervention on their property, such as setting aside land for biodiversity conservation purposes. There is a risk that regulatory requirements to set aside areas for purposes other than forestry will increase in the future.

If large additional areas of productive forest land were to be set aside due to legal requirements, or if new laws and regulations affecting environmental planning, land use or zoning plans are introduced, there is a risk that the availability of wood raw material would decrease, costs would increase and income for the Group be reduced. For example, harvesting activities on Bergslagets Skogar's forest land could be restricted or prohibited by the Swedish Forest Agency (see the section "*Risk factors – Bergslagets Skogar's business operations are subject to permits and other approved notifications*"). Such developments could have a negative impact on the value of Bergslagets Skogar's forest assets and may require changes to forestry practices, which could reduce harvesting volumes and increase costs, thereby negatively affecting Bergslagets Skogar's earnings and profitability.

The Swedish Land Acquisition Act sets out significant impediments regarding land acquisitions by legal entities from natural persons under certain circumstances. An

acquisition permit is required in order to complete such acquisitions, and the granting of such permits is dependent on several factors which may be outside of Bergslagets Skogar's control. Changes in laws and regulations imposing further restrictions on the acquisition of land may restrict Bergslagets Skogar's future possibilities to divest land with a high share of set-aside areas, as well as its possibility to acquire additional land, and could thereby limit the ability to optimize land holding value and impair its ability to strategically acquire and divest land as needed. Further changes in laws and regulations resulting in limitations on the ability of legal entities to acquire or divest land may have a negative impact on Bergslagets Skogar's business and the value of Bergslagets Skogar's land holding.

Bergslagets Skogar will be subject to tax law-related risks

Bergslagets Skogar's tax expense (as included in income for the period) totaled SEK 1,073 million in 2025 and SEK 1,166 million in 2024, and the effective tax rate amounted to 20.5 percent and 20.7 percent, respectively. There is a risk that Bergslagets Skogar's understanding and interpretation of tax laws, tax treaties and other provisions will not be correct in all respects. There is also a risk that tax authorities in the relevant jurisdictions make assessments and decisions that differ from Bergslagets Skogar's future understanding and interpretation of the aforementioned laws, tax treaties and other provisions, which risk negatively impacting the Group's tax expense and effective tax rate. In addition, there is a risk that amended laws, tax treaties or other provisions, which may apply retroactively, may have a material adverse effect on Bergslagets Skogar's results.

In connection with the Demerger, Bergslagets Skogar and its tax advisors have made certain assessments with regard to tax effects pertaining to the Demerger and the pre-restructuring measures. There is a risk that national tax authorities or regulators challenge Bergslagets Skogar's and its tax advisors' interpretation of the relevant tax laws and regulations. Should such a risk materialize, this could result in supplementary taxation and fines for Bergslagets Skogar, which could have a material adverse effect on Bergslagets Skogar's business, financial condition and results of operations.

Bergslagets Skogar will process personal data and will be required to comply with applicable data protection legislation

As part of its business, Bergslagets Skogar will process personal data of various types, including data in relation to its employees, consultants and website visitors. When Bergslagets Skogar processes personal data, the processing will need to be conducted in accordance with applicable data protection legislation, such as the GDPR[1]. Compliance with applicable data protection legislation is a continuous process where processes and documentation need to be implemented, reviewed and updated on an ongoing basis. The data protection legislation also requires, among other things, that the person whose personal data is being processed is informed of what personal data is being processed and that the processing takes place in a manner consistent with the purposes for which the personal data was collected. Bergslagets Skogar will have policies for IT and information security and personal data processing that describe the responsibilities and rules for how Bergslagets Skogar's employees should use IT and data, and Bergslagets Skogar is expected to continuously work to improve processes, routines and controls, and cooperate with its suppliers to ensure compliance with applicable rules.

If Bergslagets Skogar, despite these measures, were to process such personal data in breach of applicable data protection legislation, including the GDPR, there is a risk that Bergslagets Skogar may be required to pay sanctions for breaches of the GDPR (amounting to a maximum of the greater of EUR 20 million or 4 percent of the global annual turnover). If Bergslagets Skogar were to fail in its handling of personal data, be subject to breaches of legislation, fail to fulfill provisions of contracts, or if confidential or sensitive data were to be made public or available to others, it could have a material adverse effect on Bergslagets Skogar's reputation and results of operations.

Risks related to intellectual property rights

The intellectual property rights, including patents, trademarks and domain names related to the Swedish Forest Assets Business are important aspects of Bergslagets Skogar's operations. For example, the Group will hold a registered patent and trademarks related to the Falu Rödfärg paint and its production, and the Group is involved in several research projects which may result in intellectual property rights. Any failure to obtain, renew or adequately protect these and other intellectual property rights may negatively affect Bergslagets Skogar's business operations and competitiveness.

There is a risk that existing or future intellectual property rights relating to the Swedish Forest Assets Business may be challenged, circumvented, or invalidated, or that competitors develop alternative solutions that reduce the value of such intellectual property. In addition, there is a risk that other parties assert intellectual property rights that cover aspects of the Group's technology or patents. If the Group's operations were to be found to infringe upon third-party intellectual property rights, or if such claims were to be asserted, the Group may need to redesign or take legal action to revoke the holder's registration of the intellectual property right. Legal proceedings and disputes regarding patents, trademarks and other intellectual property rights can be costly and time-consuming and there is also a risk that Bergslagets Skogar may not be successful in protecting or enforcing its intellectual property rights through legal proceedings or otherwise which could result in the Group having to pay damages, stop using the infringing products or services and/or be forced to pay royalties to ensure continued use. Any of the above could have a material effect on the Group's business and operations.

1) Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data.

Financial risks

Risks related to the valuation of forest assets

The total fair value of Bergslagets Skogar's forest assets is determined by using a market approach method based on detailed transaction data and price statistics provided by independent market data suppliers regarding the transaction prices for forest properties in the regions where the Company operates. Prices for forest properties may vary due to, among other things, geographical location, land productivity and volume of standing stock, whereby the valuation takes into account transaction prices relative to standing stock volumes analyzed by geographical area (so called "price areas") that broadly correspond to mid-Swedish counties in order to account for these differences.

The fair valuation incorporates transaction data from the rolling 36 months weighted average market transaction prices, which are considered to include a sufficient number of transactions and are estimated to represent market conditions at the reporting date. The fair value of the forest assets is determined by multiplying the 36-months market transaction price in each price area by the standing stock in the respective area.

The total forest assets fair value is subsequently allocated across biological assets and forest land. The allocation of the combined fair value is based on the income approach, where the present values of expected net cash flows for both biological assets and forest land are calculated separately. Biological assets, in the form of standing trees, are measured at fair value in accordance with IAS 41 based on discounted cash flows from continuous operations, taking into account growth potential of one cycle. Forest land is measured at fair value using a revaluation model, including net cash flows related to trees to be planted in the future as well as other land related income, such as wind power leases, hunting rights and soil material sales. Changes in the fair value of biological assets are recognized in the income statement. Changes in the fair value of forest land, net of deferred taxes, are recognized in other comprehensive income and accumulated in a revaluation reserve in equity.

As at 30 September 2026, the fair value of the forest assets amounted to approximately SEK 63.7 billion, of which the fair value of the biological assets amounted to approximately SEK 49.2 billion and the fair value of the forest land amounted to approximately SEK 14.6 billion. Given that forest assets represent a significant portion of Bergslagets Skogar's total assets and their valuation requires substantial judgment, there is an inherent uncertainty in Bergslagets Skogar's reported financial position. A significant change in the value of Bergslagets Skogar's forest assets could have a material adverse effect on Bergslagets Skogar's business, financial position and results of operations. It could also result in a breach of the loan to value covenant in the new external SEK 3.5 billion financing to be drawn down following completion of the Demerger (see the section "*Material agreements for Bergslagets Skogar – Financing arrangements*"). If the Group would breach the obligations under its financing arrangements, following the expiry of any applicable grace period, the lenders are entitled to take certain action, including demanding full prepayment of all outstanding loans and enforcing security, which could have a material adverse effect on the Group's financial position, results of operations and reputation.

Biological assets and forest land assets cannot be readily converted into cash, which may cause liquidity constraints for Bergslagets Skogar in the event of a liquidity crisis

Biological assets constitute a significant portion of Bergslagets Skogar's total assets. Although biological assets provide long-term value, they are typically illiquid due to the biological nature of forestry operations and cannot be readily converted into cash. The Company manages its forests on rotation periods spanning 60 to 100 years, meaning that the standing volume cannot be rapidly harvested and converted into cash without compromising the long-term value and sustainability of the biological assets. In the event Bergslagets Skogar were to face unexpected liquidity needs or a liquidity crisis, the Company may be unable to realize the value of its biological assets within the required timeframe without adversely affecting the long-term productivity of its forests or risking non-compliance with notification requirements in connection with harvesting.

In addition, the market for forest land assets is typically illiquid due to, among other things, the limited pool of prospective buyers and the regulatory requirements applicable to acquisitions of forest land (see the section "*Risk factors – Bergslagets Skogar is subject to restrictions related to the use of land*"). In an urgent sale or a sale during a market downturn, there is a risk that Bergslagets Skogar may not be able to sell forest land assets at the anticipated price or on favorable terms, or at all. Accordingly, in the event that Bergslagets Skogar would need to liquidate parts of its forest land assets on short notice for any reason, such as to raise working capital or to repay outstanding debt, there can be no assurance that Bergslagets Skogar will be able to do so at a price or on terms that are acceptable to Bergslagets Skogar.

Bergslagets Skogar's future ability to meet short-term financial obligations, respond to unexpected cash requirements, or pursue strategic opportunities may therefore be constrained by the illiquid nature of its biological assets and forest land assets, which could have a material adverse effect on Bergslagets Skogar's financial position.

The Group could face higher costs of financing its operations

The Group's committed SEK 9.5 billion external long-term financings, which are to be drawn down following the completion of the Demerger, will be based on floating rates of interest which will lead to the Group being subject to the effects of interest rate fluctuation. The Group intends to enter into and maintain certain hedging arrangements to fix or limit interest rate risk with respect to these financings, in part or in full, but in the future such arrangements may not be available on commercially reasonable terms or at all. Hedging arrangements may further involve certain risks

themselves, including that the Group may need to pay a significant amount to maintain or terminate them. A significant increase in the level of interest rates would correspondingly increase the Group's interest expenses, to the extent not hedged, and thus reduce the cash flow, which could have a material adverse effect on the Group's business, financial position and results of operations.

Additionally, should the financing markets be adversely affected by, for example, increasing inflation and rising interest rates, there can be no assurance that the Group would continue to have sufficient funding available on corresponding or more favorable terms than currently committed for.

The Group could encounter difficulty in obtaining sufficient financing

Following the Demerger, the Group will have SEK 9.5 billion committed external long-term loan facilities which are capable of being drawn down on or shortly after the date of completion of the Demerger, subject to satisfaction of customary conditions precedent, and which are mainly to be used indirectly for the repayment of the Back-to-Back Loan (as defined and further described in the section "*Material agreements for Bergslagets Skogar – Financing arrangements*").

If, for example, the amount of the Back-to-Back Loan on the Effective Date would, due to reasons other than exchange rate risk, significantly exceed the estimated amount of SEK 9.48 billion to be allocated to Bergslagets Skogar in the Demerger, additional financing may need to be obtained. Further financing for the Group in the form of a revolving credit facility is intended to be arranged to be in place as of the date of completion of the Demerger. The Group's ability to meet its financing requirements depends on a number of factors, such as access to additional financing and the availability of cash flows from its operations, and there can be no assurance that such funds will be available in the future. Any future adverse developments, such as deterioration in the financial markets and a worsening of general economic conditions, may negatively impact the Group's ability to borrow additional funds as well as the cost and other terms of such funding. For example, global financial markets have experienced, and may continue to experience, significant volatility and liquidity disruptions due to Russia's invasion of Ukraine and its impacts on the energy and raw material markets in Europe, high inflation, elevated interest rates and tightening central bank measures, all of which may adversely affect the Group's funding costs and access to funding (see the section "*Risk factors – Bergslagets Skogar's operations will be affected by global macroeconomic conditions and the geopolitical environment*"). Incurrence of additional debt would increase the amounts the Group must pay to service its debt obligations and could involve the imposition of more restrictive covenants that could negatively impact its ability to operate in the desired manner. The failure to obtain sufficient funds necessary for running the Group's operations or the increased costs or unfavorable terms of financing could have a material adverse effect on the Group's business, financial condition or results of operations. Further, difficulties the Group may encounter in financing its capital investments may prevent the realization of its strategic plans and could, in particular, force the Group to forego opportunities that may arise in the future. This could, in turn, have a negative impact on the Group's competitive position.

There is also a risk that the Group may be unable to comply with its obligations under its financing arrangements. For example, the SEK 3.5 billion secured financing arrangement which is to be guaranteed by Bergslagets Skogar includes a loan to value covenant requiring the ratio of certain financings to the market value of the real property owned by Bergslagets Egendomar AB to remain below certain levels specified in the financing agreement. The long-term loan facilities committed for Bergslagets Egendomar AB are also secured by security in the form of property mortgages over certain forest assets. If the Group would breach the obligations under its financing arrangements, following the expiry of any applicable grace period, the lenders are entitled to take certain action, including demanding full prepayment of all outstanding loans and enforcing security, which could have a material adverse effect on the Group's financial position, results of operations and reputation.

Bergslagets Skogar's actual results may differ materially from its strategic and financial targets and dividend policy

Bergslagets Skogar's strategic and financial targets and dividend policy constitute forward-looking information that is subject to considerable uncertainty. The strategic and financial targets and dividend policy are based upon a number of assumptions relating to, among other things, the development of the industry, Bergslagets Skogar's business, results of operations and financial condition. Bergslagets Skogar's business, results of operations and financial condition, as well as the development of the industry and macroeconomic environment in which the Company operates, may differ materially from, and be more negative than, those assumed when preparing the strategic and financial targets and dividend policy. As a result, Bergslagets Skogar's ability to reach these strategic and financial targets and its ability to pay dividends are subject to uncertainties and contingencies, some of which are beyond its control. No assurances can be given that Bergslagets Skogar will be able to reach these targets, that Bergslagets Skogar will be able to pay dividends in accordance with its dividend policy, or at all, or that Bergslagets Skogar's financial condition or results of operations will not be materially different from these strategic and financial targets. Consequently, Bergslagets Skogar's actual results of operations and/or financial condition may differ materially from these targets, and investors should not place undue reliance on them.

Risks related to the admission to trading of the shares on a regulated market and the Company's shares

An active, liquid and orderly trading market for Bergslagets Skogar's shares and ADSs may not develop or be sustained, and the price of its shares and ADSs may be volatile

Prior to the listing on Nasdaq Stockholm and Nasdaq Helsinki, no market exists for the Company's shares and, prior to the establishment of the ADS Program, no market exists for its ADSs. Additionally, there are few companies operating similarly to the Company considering, among other things, the pure-play nature of the business and there is a risk that investors may perceive the Company less favorably than as part of the Stora Enso Group, as constituted before the Demerger. Accordingly, there is a risk that an active and liquid market for trading in the shares and the ADSs may not develop, or if developed, that it will not be sustained following the listing of the shares on Nasdaq Stockholm and Nasdaq Helsinki and the establishment of the ADS Program for Bergslagets Skogar's shares.

There is a risk that the liquidity of Bergslagets Skogar's shares of class A will be more limited than the liquidity of Bergslagets Skogar's shares of class B, among other things due to a lower number of class A shareholders and shares of class A in issue. Low liquidity of Bergslagets Skogar's shares of class A could entail difficulties in selling shares of class A at a point in time that is considered desirable for the shareholder or at a price level that could be obtained if a favorable liquidity situation prevailed.

Under the ADS Program, investors will trade ADSs in the United States in the OTC market. The OTC market is significantly more limited and less regulated than the national exchanges, and as a result, trading volume in the ADSs may be limited and investors may not have sufficient liquidity, which may make it more difficult for holders of the ADSs to sell their securities. It is not certain that the ADSs will continue to be traded on the OTC market or any other trading market.

Influence of largest shareholders in the Company

As a result of the Demerger, Stora Enso's largest shareholders, Wallenberg Investments Holdings AB (previously FAM AB) and Solidium Oy, will, following the eventual completion of the Demerger and assuming their shareholdings in Stora Enso would remain unchanged from those as at 30 September 2026, become the largest shareholders of the Company and hold approximately 10.2 percent and 10.7 percent, respectively, of the share capital and 27.4 percent and 27.4 percent, respectively, of the total voting rights in the Company. Accordingly, Wallenberg Investments Holdings AB and Solidium Oy are likely to have a significant influence over the outcome of matters submitted to the shareholders' meetings for approval, such as the election of Board members, decisions on dividends, decisions on new share issues and authorizations for the Board of Directors to carry out share issues and amendments to the articles of association. The interests of Wallenberg Investments Holdings AB and Solidium Oy may differ significantly from or compete with the interests of the Company or those of the other shareholders, and Wallenberg Investments Holdings AB and Solidium Oy could exercise influence over the Company in such a manner that is contrary to the interests of the other shareholders. For example, a conflict may arise between the interests of Wallenberg Investments Holdings AB and Solidium Oy on the one hand and the interests of the Company or the other shareholders on the other hand in respect of, among other things, the distribution of dividends.

Shareholders in the United States or other countries outside Sweden may not be able to exercise their preferential rights to participate in any potential future rights offerings

If the Company issues new shares in a rights offering, shareholders shall, as a general rule, have preferential rights to subscribe for new shares in proportion to their shareholding at the time of the issue. Shareholders in certain other countries may, however, be subject to limitations that prevent them from participating in such rights offerings, and their participation may also otherwise be impeded or limited. For example, shareholders or ADS holders in the United States may be prevented from subscribing for their pro rata portion of the new shares if the shares or subscription rights are not registered under the U.S. Securities Act and if an exemption from the registration requirements does not apply. Shareholders in other jurisdictions outside of Sweden may be similarly affected if the subscription rights or the new shares have not been registered or approved by the competent authorities in those jurisdictions. The Company will have no obligation to apply for registration under the U.S. Securities Act or seek equivalent approval under the laws of other jurisdictions outside of Sweden in respect of any subscription rights or shares, and such future procedures may be impractical and costly. To the extent that shareholders in jurisdictions outside of Sweden are prevented from preferentially subscribing for new shares in any future rights issues, their ownership may be diluted or reduced in value.

Fluctuations in the SEK/EUR and SEK/USD exchange rates may impact the perceived value of the Company's profitability

When a company reports in one currency but its securities trade in another currency, fluctuations in the relevant exchange rates may impact the perceived value of the company's profitability. Bergslagets Skogar will provide its financial statements in SEK and will have its shares trading in SEK on Nasdaq Stockholm. However, Bergslagets Skogar's shares will also trade in EUR on Nasdaq Helsinki and its ADSs will trade in USD in the U.S. OTC market. As such, Bergslagets Skogar's future reported earnings per share (EPS), reported in SEK, may be impacted when this figure is converted into EUR and USD, respectively. A stronger SEK relative to the EUR and USD will result in higher EPS in EUR and USD terms. Conversely, a weaker SEK will decrease the EPS in EUR and USD terms.

Bergslagets Skogar's ability to pay dividends will be dependent on its future earnings, financial condition, cash flows, net working capital requirements, capital expenditures and other factors

The Board of Directors of Stora Enso, in consultation with the selected management and proposed members of the Board of Directors of Bergslagets Skogar, has decided on a dividend policy for Bergslagets Skogar with the aim to pay a stable and growing dividend. As ordinary dividend, Bergslagets Skogar intends to distribute between 80 to 100 percent of adjusted net income[1]. The amount of any future dividends that Bergslagets Skogar will pay, if any, will depend upon a number of factors, such as future earnings, financial condition, cash flows, net working capital requirements, capital expenditures and other factors. Bergslagets Skogar may also not have sufficient distributable funds and Bergslagets Skogar's shareholders may not resolve to pay dividends in the future. Accordingly, a dividend may not be proposed or declared or any other distribution may not be made, in any given year or at all.

Differences in currency exchange rates may have an adverse effect on the value of ADSs or shareholdings or dividends

The Company's shares, and any dividends payable on the shares, will be denominated in SEK. As a result, an investment in the Company's shares by an investor whose principal currency is not SEK, or an investment in the ADSs, exposes the investor to currency exchange risks that may impact the value of the investment in the shares or ADSs and any dividends. Any depreciation of SEK against such foreign currency will reduce the value of the investment in the shares or ADSs and any dividends in foreign currency. There may be tax consequences for an investor as a result of any currency exchange gains or losses resulting from ownership of the ADSs or shares.

Investors may not be able to enforce their rights in civil proceedings for U.S. securities law violations

The Company and its subsidiaries will be organized outside the United States, and the business will be conducted entirely outside the United States. All of the proposed members of the Board of Directors and executive officers of the Company are non-residents of the United States. Investors may be unable to effect service of process in the United States on the Board members and executive officers of Bergslagets Skogar and its respective subsidiaries and its Board members and executive officers who are located outside the United States, and investors may be unable to enforce against them judgments obtained in U.S. courts. Moreover, as most of the Company's assets and those of its Board members and executive officers will be located outside of the United States, actions of Bergslagets Skogar may not be subject to the civil liability provisions of the federal securities laws of the United States.

The United States is not currently bound by a treaty providing for the reciprocal recognition and enforcement of judgments, other than arbitral awards, rendered in civil and commercial matters with Sweden. There is, therefore, doubt as to the enforceability in Sweden of civil liabilities based upon U.S. securities laws in an action to enforce a U.S. judgment in Sweden. In addition, the enforcement in Sweden of any judgment obtained in a U.S. court based on civil liabilities, whether or not predicated solely upon U.S. federal securities laws, will be subject to certain conditions. There is also doubt that a Swedish court would have the requisite power or authority to grant remedies sought in an original action brought in Sweden on the basis of U.S. securities law violations.

The allocation of the Demerger Consideration Shares could be a taxable transaction for Stora Enso's U.S. shareholders

Stora Enso and Bergslagets Skogar intend to take the position that the allocation of the Demerger Consideration Shares and the delivery of Bergslagets Skogar ADSs, in each case, in connection with the Demerger, should qualify under Section 355 of the U.S. Internal Revenue Code of 1986, as amended (the "**U.S. Tax Code**") as a tax-free transaction for U.S. federal income tax purposes. If, contrary to Stora Enso's and Bergslagets Skogar's position, such allocation and delivery does not qualify under Section 355 of the U.S. Tax Code, then a U.S. owner of Stora Enso shares or Stora Enso ADSs generally would be treated as receiving a taxable dividend in an amount equal to the fair market value of the Bergslagets Skogar shares or Bergslagets Skogar ADSs it receives pursuant to the Demerger at the time of the allocation or delivery (as determined in U.S. dollars) for U.S. federal income tax purposes. For further information, see the section "*Tax considerations – Certain U.S. federal income tax considerations – Tax consequences of the Distribution*".

If Bergslagets Skogar were to be classified as a passive foreign investment company, there would be adverse United States tax consequences

Generally, if Bergslagets Skogar were a passive foreign investment company for U.S. federal income tax purposes (a "**PFIC**") for any taxable year during which a U.S. shareholder holds its Bergslagets Skogar shares, the U.S. shareholder may be subject to adverse tax consequences.

In general, a corporation organized outside the United States will be treated as a PFIC in any taxable year in which, after taking into account the income and assets of the corporation and certain subsidiaries pursuant to applicable look-through rules, either (i) at least 75 percent of its gross income is "passive income" or (ii) at least 50 percent of its assets by value either produce passive income or are held for the production of passive income, based on the quarterly average of the fair market value of such assets. For purposes of the PFIC rules, "passive income" generally includes, for example, dividends, interest, certain rents and royalties, certain gains from the sale of stock and securities, and certain gains from commodities transactions.

1) Adjusted net income defined as net profit or loss for the period, excluding change in net value of biological assets, profits and losses on sale of fixed assets and investments, excluding items affecting comparability, and less investments in reforestation of biological assets after tax.

Based on the present nature of Bergslagets Skogar's activities and the present composition of its assets and sources of income, Bergslagets Skogar does not expect to be treated as a PFIC for its current taxable year. However, because a determination of whether a company is a PFIC must be made annually after the end of each taxable year and Bergslagets Skogar's PFIC status for each taxable year will depend on facts, including the composition of its income and assets and the value of its assets (which may be determined in part by reference to the market value of its shares) at such time, there can be no assurance that Bergslagets Skogar will not be a PFIC for the current or any future taxable year. Should Bergslagets Skogar be treated as a PFIC for any taxable year, it could result in adverse U.S. federal income tax consequences for its U.S. shareholders. For further information, see the section "*Tax considerations – Certain U.S. federal income tax considerations – Passive foreign investment company considerations*".

The Demerger may have different tax implications for Stora Enso's shareholders in different jurisdictions

Shareholders must not construe the contents of this Information Brochure as tax advice addressed to them. The Demerger may have different tax implications for shareholders depending on jurisdiction. Shareholders should consult their own tax advisors regarding the Demerger and its tax implications applicable to their particular circumstances. For example, the Swedish Council for Advance Tax Rulings has on 11 September 2026 issued an advance ruling on the tax implications of the Demerger from a Swedish tax perspective. The ruling has subsequently been appealed by the Swedish Tax Agency (Sw. *Skatteverket*) and is currently awaiting decision by the Swedish Supreme Administrative Court. Should the court overturn the ruling from the Swedish Council for Advance Tax Rulings, this may have tax implications for certain Swedish shareholders. For more information, see the section "*Tax considerations – Certain tax considerations in Sweden*".

Tax considerations

The following is a general description of certain tax considerations relating to the allocation of the Demerger Consideration Shares to the shareholders of Stora Enso by way of the proposed Demerger. It does not purport to be a complete analysis of all tax considerations, neither in Sweden, Finland, the United States or elsewhere. The tax treatment of each individual shareholder depends on the shareholder's particular circumstances and the tax laws in the country where the shareholder is resident for tax purposes. Each shareholder should therefore consult its own tax advisor about the specific tax consequences that may arise in the individual case. This summary is based upon the laws and regulations in effect as at the date of this Information Brochure and does not consider changes in laws or regulations effective, sometimes with retroactive effect, after such date.

Certain tax considerations in Sweden

The following is a summary of certain Swedish tax consequences that may arise from the allocation of the Demerger Consideration Shares to the shareholders of Stora Enso. The summary is based on current legislation and only provides general information applicable to individuals and limited liability companies (Sw. *aktiebolag*) resident in Sweden for tax purposes, unless otherwise stated. The summary does not cover: (i) shares held by partnerships or as current assets in business operation (Sw. *lagertillgångar*); (ii) the specific rules concerning tax-exempt capital gains (including non-deductibility for capital losses) and dividends in the corporate sector in case shares are deemed to be held for business reasons under the Swedish participation exemption regime (Sw. *näringsbetingade andelar*); (iii) shares that are held in an investment savings account (Sw. *investeringssparkonto*); or endowment insurance (Sw. *kapitalförsäkring*), which are both subject to notional taxation; or (iv) special tax rules applicable to certain investors (for example investment funds and insurance companies). The tax consequences for each individual shareholder will ultimately depend on the holder's particular circumstances. Each shareholder should therefore consult a tax advisor regarding the specific tax consequences that may arise in the individual case, including (but not limited to) the applicability and effect of foreign tax rules and tax treaties.

Individuals tax resident in Sweden

Taxation of the allocation of the Demerger Consideration Shares

It is expected that the allocation of the Demerger Consideration Shares to the shareholders of Stora Enso should be treated as consideration received in a partial demerger (Sw. *partiell fission*) for Swedish tax purposes.

The Swedish Council for Advance Tax Rulings has on 11 September 2026 issued an advance ruling confirming that the transaction qualifies as a partial demerger in accordance with the Swedish Income Tax Act (1999:1229) and that the allocation of the Demerger Consideration Shares would therefore not trigger immediate taxation for Swedish tax resident shareholders. The Swedish Tax Agency has appealed the ruling to the Swedish Supreme Administrative Court. The ruling from the Swedish Supreme Administrative Court is expected during the first or second quarter of 2027. Stora Enso maintains its position on tax neutrality (i.e., no immediate taxation for the Swedish tax resident shareholders) as confirmed in the ruling issued by the Swedish Council for Advance Tax Rulings. In the event that the Swedish Supreme Administrative Court would determine that the partial demerger is not tax neutral, the allocation of the Demerger Consideration Shares should primarily have tax implications for individuals that are subject to unlimited tax liability in Sweden holding their Stora Enso shares through a securities account (Sw. *värdepapperskonto/depå*), as well as Swedish tax resident companies subject to capital taxation holding less than 10 percent of votes and capital in Stora Enso. These shareholders would be taxed on the value of the allocated Demerger Consideration Shares as dividend. Please note that a shareholder holding its Stora Enso shares in an investment savings account (Sw. *investeringssparkonto*) should not be subject to immediate taxation.

In a partial demerger, the allocation of the tax basis in the shares in the demerging company (Stora Enso) to the shares in the newly established company (Bergslagets Skogar) is based on the change in value of the shares in the demerging company due to the Demerger. Stora Enso intends to request general guidelines from the Swedish Tax Agency concerning how this tax basis should be allocated and these guidelines would be published on the websites of Stora Enso, Bergslagets Skogar, and the Swedish Tax Agency as soon as possible.

Taxation of dividends with regard to shares in Bergslagets Skogar

Dividend distributions pertaining to listed shares are taxed as capital income at a rate of 30 percent. A preliminary tax of 30 percent is withheld on dividends distributed to individuals tax resident in Sweden. The preliminary tax is withheld by Euroclear Sweden or, in respect of nominee-registered shares, by the Swedish nominee.

Capital gains taxation upon disposal of shares in Bergslagets Skogar

A sale or other disposal of listed shares will result in a taxable capital gain or a deductible capital loss. Capital gains are taxed as capital income at a rate of 30 percent. The capital gain or loss is generally calculated as the difference between the sales proceeds, reduced by sales costs, and the tax basis. The tax basis for all shares of the same class and type is calculated together in accordance with the "average cost method" (Sw. *genomsnittsmetoden*). Alternatively, upon the sale of listed shares, the tax basis may be determined as 20 percent of the sales proceeds, after deducting sales costs, under the "standard method" (Sw. *schablonmetoden*). In a partial demerger, the allocation of the tax basis in the shares in the demerging company (Stora Enso) to the shares in the newly established company (Bergslagets Skogar) is based on the change in value of the shares in the demerging company due to the Demerger.

Capital losses can be fully offset against taxable capital gains on listed and non-listed shares and other listed equity-related securities with the exception of units in securities funds or special funds that consist solely of Swedish receivables (Sw. *räntefonder*). Capital losses not absorbed by these set-off rules are deductible at 70 percent in the capital income category. If there is a net loss in the capital income category, a tax reduction is allowed against municipal and national income tax, as well as against real estate tax and municipal real estate charges. This tax reduction is granted at 30 percent of the net loss that does not exceed SEK 100,000 and at 21 percent of any remaining net loss. An excess net loss cannot be carried forward.

Limited liability companies

Taxation of the allocation of the Demerger Consideration Shares

Since it is expected that the Demerger will fulfill the requirements to qualify as a partial demerger for tax purposes, the allocation of the Demerger Consideration Shares should not give rise to any immediate taxation. Please refer to the corresponding section regarding individuals for the determination of tax basis in Bergslagets Skogar's shares.

Taxation of dividends and capital gains with regard to shares in Bergslagets Skogar

For Swedish limited liability companies, all income, including taxable capital gains and dividends, is taxed as business income at a rate of 20.6 percent. Capital gains and capital losses are calculated in the same manner as described above for individuals. Deductible capital losses on shares or other equity-related securities may only be deducted against taxable capital gains on such securities. Under certain circumstances, such capital losses may also be offset against capital gains in another company in the same group, provided that the requirements for group consolidation (Sw. *koncernbidragsrätt*) are met. A capital loss that cannot be utilized during a given income year may be carried forward indefinitely and offset against taxable capital gains on shares and other equity-related securities during future income years.

Specific tax considerations for shareholders who are not tax residents in Sweden

Withholding tax on dividends

No Swedish withholding tax should be levied on the allocation of the Demerger Consideration Shares to Stora Enso's shareholders.

Future dividend distributions from Bergslagets Skogar will generally be subject to Swedish withholding tax. The withholding tax rate is 30 percent but is often reduced for shareholders who are tax residents in countries with which Sweden has entered into a tax treaty. In Sweden, Euroclear Sweden or, for nominee-registered shares, the nominee, carries out the withholding.

In the event that 30 percent withholding tax is deducted from a payment to a person entitled to be taxed at a lower rate, or if too much withholding tax has otherwise been withheld, a refund can be claimed from the Swedish Tax Agency prior to the expiry of the fifth calendar year following the dividend distribution.

Capital gains taxation upon disposal of shares in Bergslagets Skogar

Shareholders who are not tax residents in Sweden and whose shareholding is not attributable to a permanent establishment in Sweden, are generally not subject to capital gains taxation in Sweden upon the disposal of shares. The shareholder may, however, be subject to taxation in their country of residence. Under a specific tax rule, individuals who are not tax residents in Sweden may, however, be subject to tax in Sweden on the sale of shares if they have been resident or lived permanently in Sweden at any time during the calendar year of such disposal or during any of the previous ten calendar years. The application of this rule may be limited by tax treaties between Sweden and other countries.

Certain tax considerations in Finland

The following is a summary of certain Finnish tax consequences that may arise from the allocation of the Demerger Consideration Shares to the shareholders of Stora Enso. The summary is based on current legislation, case law and taxation practice of Finland as in effect on the date of this Information Brochure and only provides general information applicable to individuals and limited liability companies resident in Finland for tax purposes, unless otherwise stated. The following summary is not exhaustive and does not take into account or deal with the tax laws or case law and taxation practice of any country other than Finland. The tax laws of other jurisdictions may have an effect on the shareholders as explained below in more detail.

The following description does not address tax considerations applicable to the holders of the shares that may be subject to special tax rules, including, among others, different restructurings of corporations, controlled foreign corporations (CFC), non-business carrying entities, income tax-exempt entities or general or limited partnerships. Furthermore, this description addresses neither Finnish inheritance nor gift tax consequences.

This description is primarily based on:

- The Finnish Income Tax Act (1535/1992, as amended);
- The Finnish Business Income Tax Act (360/1968, as amended);
- The Finnish Act on Taxation Procedure (1558/1995, as amended); and
- The Finnish Transfer Tax Act (931/1996, as amended).

Relevant case law as well as decisions and statements made by the Finnish tax authorities in effect and available on the date of this Information Brochure have been taken into account. In addition, the Nordic tax treaty (25–26/1997, as amended) impacting dividend payments from Bergslagets Skogar to Finnish tax resident shareholders has been taken into consideration.

General

These tax considerations only apply to Finnish tax residents. Finnish tax residents are subject to Finnish taxation on their worldwide income. However, tax treaties binding Finland may limit the applicability of Finnish domestic tax law, i.e., the Nordic tax treaty since the relevant countries involved are Finland and Sweden.

Generally, an individual is deemed a resident of Finland if such individual stays in Finland for more than six consecutive months or if the main abode and home of such individual is in Finland. However, a Finnish citizen who has moved abroad is generally considered a resident of Finland until three years have passed from the end of the year during which they have left the country, unless they prove that they have not had substantial ties to Finland during the relevant tax year.

Earned income, including salary, is taxed at progressive rates. Capital income is currently taxed at a rate of 30 percent. However, if the total amount of capital income exceeds EUR 30,000 during the calendar year, the tax for the exceeding amount is 34 percent.

Corporate entities established under the laws of Finland and foreign entities with the effective place of management in Finland are regarded as residents of Finland and are subject to corporate income tax on their worldwide income. The corporate income tax rate is 20 percent in 2026 but will be reduced to 18 percent as of 1 January 2027.

The following is a summary of certain Finnish tax consequences relating to the Demerger and the subsequent allocation, ownership and disposal of shares by Finnish resident shareholders.

Tax implications of the Demerger

Stora Enso has obtained a binding statement from the Finnish Tax Administration confirming that the Demerger will be tax neutral under Section 52c of the Finnish Business Income Tax Act. This means that no income tax consequences are triggered for Stora Enso's shareholders who are tax resident in Finland as a result of the Demerger and the allocation of the Demerger Consideration Shares.

Additionally, Section 52e of the Finnish Business Income Tax Act sets a requirement concerning permanent establishment in Finland applicable to the taxation of the transferring company in a cross-border demerger. Finland would have the right to tax assets being transferred out of Finland (so called exit tax) if no permanent establishment is formed in Finland. Whether a permanent establishment is formed or not does not, however, affect the taxation of Stora Enso's Finnish shareholders. Stora Enso transferring its subsidiary shares in Bergslaget Holding AB should not trigger any income tax consequences under the Finnish participation exemptions rules, and the other transferring assets of Stora Enso are not expected to cause any significant exit tax for Stora Enso.

The acquisition time of shares in Bergslagets Skogar for the shareholders of Stora Enso should be the same as when they have acquired or subscribed for their respective shares in Stora Enso. According to the current legislation in 2026, the original acquisition cost of existing Stora Enso shares is split between Stora Enso and Bergslagets Skogar in Finnish income taxation primarily in accordance with the net assets of the respective companies: the acquisition cost of the shares in the demerging company is the share of the total acquisition cost that corresponds to the share of net assets remaining in the demerging company. The receiving company's share of the acquisition cost is the share of the total acquisition cost that corresponds to the share of net assets transferred to the receiving company. In addition, fair values have been utilized as the basis for dividing the acquisition cost if it has been apparent that the ratio of the net assets remaining and transferring to the demerging and receiving companies differs materially from the ratio of the fair values of the shares of these companies. Based on case law, a deviation of at least 20 percent from the ratio of fair values has generally been considered material. A government proposal has been submitted to the Finnish parliament for adoption according to which fair values would always be used in dividing the acquisition cost of shares in the demerger of listed companies. If the proposal is adopted, the new provision would come into force as of 1 January 2027 and therefore apply to the Demerger.[1] Stora Enso will request a confirmation in the form of specific guidelines from the Finnish Tax Administration on how the acquisition cost is to be split, and these guidelines will be published on the websites of Stora Enso, Bergslagets Skogar, and the Finnish Tax Administration.

1) The fair value would be determined by the weighted average price at the listing date or, alternatively, the corresponding average price over the first five trading days, if considered to be more accurate.

Dividend taxation

Private individuals

85 percent of dividends paid by a listed company to an individual shareholder is considered capital income of the recipient, taxable at the rate of 30 percent (however, if the overall capital income exceeds EUR 30,000 during the calendar year, the tax for the exceeding amount is 34 percent) while the remaining 15 percent is tax exempt.

According to the Nordic tax treaty, Sweden has the right to tax the dividend income at source at a rate of 15 percent received by Finnish shareholders from Bergslagets Skogar. Finland should credit the tax at source amount paid in Sweden from the tax payable in Finland to avoid double taxation. The tax credit must be requested in writing from the Finnish Tax Administration by the taxpayer before the end of the tax assessment in the given year or, after that, by applying for a claim for adjustment before three years have elapsed from the beginning of the calendar year following the tax assessment. If no full credit is possible during the tax year in Finland for taxes paid to a foreign country because the amount of the foreign tax is higher than the maximum credit for the tax year, the uncredited amount may be credited during the next five tax years from the taxes imposed on income derived from the same income source and category.

The Finnish Tax Administration should get information on dividend payments through international information exchange, however, the taxpayer is obliged to correct and complete all information on their income tax return if there are deficiencies or errors. If the information is not automatically transferred to the tax return, the taxpayer should report it at their own initiative.

Finnish limited liability companies

Dividends received by a listed company from another listed company are generally tax exempt. However, if the shares are included in the investment assets of the shareholder (only financial, insurance and pension institutes may have investment assets referred to in this context), 75 percent of the dividend is taxable income while the remaining 25 percent of the dividend is tax exempt.

Dividends received by a non-listed Finnish company from a listed company are generally taxable income. However, if the non-listed company directly owns 10 percent or more of the share capital of the listed company distributing the dividend, the dividend received on listed shares is tax exempt. If the shares are included in the investment assets of the shareholder and the ownership is below 10 percent, 75 percent of the dividend is taxable income while the remaining 25 percent of the dividend is tax exempt.

According to the Nordic tax treaty, Sweden has the right to tax 15 percent of the dividend income received by Finnish shareholders from Bergslagets Skogar. Dividend income is exempted from tax in Sweden if the owner of the dividend income is a company that immediately owns at least 10 percent of the capital of the company paying the dividend.

The company must request a credit of the foreign tax in writing from the Finnish Tax Administration during tax assessment or, after that, by applying for a claim for adjustment before three years have elapsed from the beginning of the calendar year following the tax assessment. If no full credit is possible during the tax year in Finland for taxes paid to a foreign country because the amount of the foreign tax is higher than the maximum credit for the tax year, the uncredited amount may be credited during the next five tax years from the taxes imposed on income derived from the same income source and category. Finland may credit the amount paid in Sweden from the Finnish withholding to avoid double taxation. Foreign tax is not refunded or credited automatically on the initiative of the Finnish tax authorities. The request must include a statement of the amount and basis of payment of the foreign tax, as well as that the foreign tax has been paid, as well as other information necessary for granting the credit.

Capital gains taxation

Private individuals

Capital gain or loss arising from the sale of shares (other than in the context of business activities) is taxable as capital gain or as capital loss deductible from capital gains for resident individuals. Capital gains are currently taxed at a rate of 30 percent, however, if the overall capital income exceeds EUR 30,000 during the calendar year, the tax for the exceeding amount is 34 percent. If the disposition of shares is connected to the business activities (business income source) of the seller, any gain arising from the sale is deemed to be the seller's business income, which will as a rule be divided according to the Finnish Income Tax Act to be taxed as earned income at a progressive tax rate and capital income at a flat rate of 30 percent (however if the overall capital income exceeds EUR 30,000 during the calendar year, the tax for the exceeding amount is 34 percent).

Any capital gain or loss is calculated by deducting the original acquisition cost and sales-related expenses from the sales price. Alternatively, individuals may, instead of deducting the actual acquisition costs, choose to apply a so-called presumptive acquisition cost, which is equal to 20 percent of the sales price or, if the shares have been held for at least ten years, 40 percent of the sales price. If the presumptive acquisition cost is used instead of the actual acquisition cost, any sales-related expenses are deemed to be included therein and, therefore, may not be separately deducted from the sales price.

A capital loss arising from the sale of securities, such as the shares, is deductible primarily from the resident individual's capital gains and secondarily from other capital income arising in the same year and during the following five calendar years. Capital losses will not be taken into account when calculating the capital income deficit for the calendar year in question. Thus, such capital losses do not affect the amount of the deficit credit.

Notwithstanding the above, capital gains arising from the sale of assets, such as the shares in Bergslagets Skogar, are exempt from tax provided that the proceeds of all assets sold by the resident individual during the calendar year do not, in the aggregate, exceed EUR 1,000 (not including proceeds of assets the sale of which is tax-exempt pursuant to Finnish tax laws). Correspondingly, capital losses are not tax deductible if the acquisition cost of all assets sold during

the calendar year does not, in the aggregate, exceed EUR 1,000 and also the proceeds of all assets sold by the resident individual during the calendar year do not, in the aggregate, exceed EUR 1,000.

An individual resident in Finland must enter information regarding the sale of securities (such as the shares in Bergslagets Skogar) occurred during the relevant calendar year on the pre-completed tax form.

Finnish limited liability companies

The following applies only to Finnish limited liability companies taxed in accordance with the Finnish Business Income Tax Act. Generally, capital gain arising from the shares in Bergslagets Skogar is taxable income of the limited liability company.

Shares may be fixed assets, current assets, investment assets (only financial, insurance and pension institutes may have investment assets referred to in this context), financial assets or other assets of a limited liability company. The taxation of a disposal of shares and loss of value may vary according to the asset type for which the shares qualify. Shares may only exceptionally qualify as other than business income source assets of a limited liability company. The provisions of the Finnish Income Tax Act are applied to the capital gains arising from the sale of assets from other income source.

Any sales price from the sale of securities is generally included in the business income of a Finnish company. Correspondingly, the acquisition cost of the shares is deductible from business income upon disposal of the shares. However, a participation exemption for capital gains on share disposals is available for Finnish companies, provided that certain strict requirements are met. Under the participation exemption and except for private equity investors, capital gains arising from the sale of shares that are part of the fixed assets of the selling company are not considered taxable business income and, correspondingly, capital losses incurred on the sale of such shares are not tax deductible, provided, among others, that (i) the selling company has continuously owned at least 10 percent of the share capital in the company whose shares are sold and such sold shares have been owned for at least one year, which period has ended no later than one year before the sale, (ii) the company whose shares have been sold is not a real estate or residential housing company or a limited liability company whose activities, on a factual basis, mainly consist of ownership or possession of property, and (iii) the company whose shares are sold is resident in Finland or a company referred to in Article 2 of the Parent Subsidiary Directive[1)] or it is resident in a country with which Finland has entered into a tax treaty for the elimination of double taxation which is applicable to dividends. Further, based on case law, the application of participation exemption also requires, among other things, that there is an operational connection between the company disposing of the shares and the company whose shares are being sold.

Tax deductible capital losses arising from the sale of shares (other shares than shares sold under the participation exemption) that are part of the fixed assets of the selling company can only be deducted from capital gains arising from the sale of shares in the same financial year and five subsequent years. Tax deductible capital losses arising from the sale of shares belonging to other assets are tax deductible only from capital gains arising from the sale of other assets in the same fiscal year and the subsequent five years. Capital losses arising from the sale of shares that are not part of fixed assets or other assets are tax deductible from taxable income in the same financial year and the subsequent ten years in accordance with the general rules concerning losses carried forward.

Transfer tax

The allocation of the Demerger Consideration Shares or sale of shares in Bergslagets Skogar is not subject to Finnish transfer tax.

The shares and real estate transferring in the Demerger are not subject to transfer tax provided that the Demerger is carried out in accordance with the Section 52c of the Finnish Business Income Tax Act and Chapter 17 of the Finnish Companies Act and that the receiving company continues the business operations of the demerging company.

Certain U.S. federal income tax considerations

The following is a summary of certain U.S. federal income tax consequences of the acquisition, ownership and disposition of Bergslagets Skogar shares or Bergslagets Skogar ADSs by a U.S. Holder (as defined below). This summary deals only with U.S. Holders that (i) receive Bergslagets Skogar shares pursuant to the allocation of the Demerger Consideration Shares by Stora Enso or (ii) receive delivery of Bergslagets Skogar ADSs in respect of their Stora Enso ADSs, in each case, in connection with the Demerger (the "**Distribution**") and that will hold such Bergslagets Skogar shares or Bergslagets Skogar ADSs as capital assets for U.S. federal income tax purposes (generally, property held for investment). This discussion does not purport to be a comprehensive discussion of all U.S. federal income tax considerations that may be relevant to the acquisition, ownership or disposition of Bergslagets Skogar shares or Bergslagets Skogar ADSs by particular investors.

For purposes of this section, Stora Enso shares and Stora Enso ADSs are referred to below as "**Stora Enso Shares**", and Bergslagets Skogar shares and Bergslagets Skogar ADSs are referred to below as "**Bergslagets Skogar Shares**".

This discussion is based on the U.S. Tax Code, its legislative history, final, temporary and proposed U.S. Treasury regulations promulgated under the U.S. Tax Code, and administrative rulings and judicial interpretations thereof, in each case as in effect of the date hereof. Except as expressly set forth herein, this summary does not discuss the Convention Between the Government of the United States of America and the Government of the Republic of Finland for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and on Capital (the "**U.S.-Finland Treaty**") or the Convention Between the Government of the United States of America and the Government of Sweden for the Avoid-

1) Council Directive 2011/96/EU of 30 November 2011 on the common system of taxation applicable in the case of parent companies and subsidiaries of different Member States.

ance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (the "**U.S.-Sweden Treaty**"). All of the foregoing authorities are subject to change, which change could apply retroactively and could affect the tax consequences described below. No ruling has or will be sought from the U.S. Internal Revenue Service (the "**IRS**") with respect to any statement or conclusion in this discussion, and there can be no assurance that the IRS will not challenge such statement or conclusion in the following discussion or, if challenged, that a court will uphold such statement or conclusion.

In addition, this discussion does not describe all of the tax consequences that may be relevant in light of a U.S. Holder's particular circumstances, including any U.S. state, local or non-U.S. tax law, the Medicare tax on net investment income, and any estate or gift tax laws, and it does not describe differing tax consequences applicable to U.S. Holders subject to special rules, such as:

- certain banks and financial institutions;
- regulated investment companies and real estate investment trusts;
- dealers or traders in securities or currencies, including those that use the mark-to-market method of accounting;
- insurance companies;
- persons that hold Stora Enso Shares, or will hold Bergslagets Skogar Shares, as part of a hedge, straddle, conversion, constructive sale, wash sale, integrated transaction or similar transaction;
- persons liable for any alternative minimum tax;
- persons required for U.S. federal income tax purposes to accelerate the recognition of any item of gross income with respect to Stora Enso Shares or Bergslagets Skogar Shares as a result of such income being recognized on an applicable financial statement;
- entities or arrangements classified as partnerships or pass-through entities for U.S. federal income tax purposes or holders of equity interests therein;
- governmental entities and organizations;
- tax-exempt entities and organizations;
- persons that hold Stora Enso Shares, or will hold the Bergslagets Skogar Shares, through "individual retirement accounts", "Roth IRAs" or other tax-deferred accounts;
- certain U.S. expatriates and former citizens or long-term residents;
- persons who received Stora Enso Shares from the exercise of employee share options or otherwise as compensation;
- persons that own or will own, directly, indirectly or constructively, ten percent or more of the total voting power or value of all of Stora Enso's or Bergslagets Skogar's outstanding equity;
- persons who hold Stora Enso Shares, or will hold Bergslagets Skogar Shares, in connection with a trade or business conducted or a permanent establishment located outside the United States; or
- persons whose functional currency for U.S. federal income tax purposes is not the U.S. dollar.

U.S. Holders should consult their tax advisors concerning the U.S. federal, state, local and non-U.S. tax consequences of acquiring, owning and disposing of the Bergslagets Skogar Shares under their particular circumstances.

For purposes of this discussion, a "**U.S. Holder**" is a person that, for U.S. federal income tax purposes, is a beneficial owner of Stora Enso Shares or Bergslagets Skogar Shares, as applicable, that is, for U.S. federal income tax purposes:

- an individual citizen or resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if (i) a court within the United States is able to exercise primary supervision over its administration and one or more United States persons have the authority to control all substantial decisions of the trust, or (ii) the trust has a valid election in effect under U.S. Treasury regulations to be treated as a United States person.

If an entity or arrangement that is classified as a partnership for U.S. federal income tax purposes holds Stora Enso Shares, or will hold Bergslagets Skogar Shares, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the status and activities of the partnership. Partnerships holding Stora Enso Shares, or that will hold Bergslagets Skogar Shares, and partners in such partnerships should consult their tax advisors as to the U.S. federal income tax consequences of acquiring, owning and disposing of Bergslagets Skogar Shares in light of their particular circumstances.

For U.S. federal income tax purposes, although not free from doubt, Stora Enso and Bergslagets Skogar intend to take the position that a U.S. Holder of Stora Enso ADSs or Bergslagets Skogar ADSs is treated as the beneficial owner of the underlying Stora Enso shares or Bergslagets Skogar shares represented by the Stora Enso ADSs or Bergslagets Skogar ADSs, as applicable. The remainder of this discussion assumes that a U.S. Holder of Stora Enso ADSs or Bergslagets Skogar ADSs will be treated in this manner.

This discussion further assumes that Stora Enso is not and has not been a PFIC at any point during any U.S. Holder's holding period for its Stora Enso Shares and will not be a PFIC in its taxable year that includes the Distribution. In that regard, Stora Enso believes that it is not currently a PFIC. To the extent Stora Enso is a PFIC, becomes a PFIC in its taxable year including the Distribution, or was a PFIC at any point during any U.S. Holder's holding period for its Stora Enso Shares, the tax consequences described below may be

materially different. U.S. Holders should consult their tax advisors regarding the tax consequences if Stora Enso were a PFIC.

THE DISCUSSION OF U.S. FEDERAL INCOME TAX CONSIDERATIONS SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL U.S. HOLDERS SHOULD CONSULT THEIR TAX ADVISORS CONCERNING THE TAX CONSEQUENCES OF THE ACQUISITION, OWNERSHIP, OR DISPOSITION OF BERGSLAGETS SKOGAR SHARES OR BERGSLAGETS SKOGAR ADSs IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES, INCLUDING THE APPLICABILITY AND EFFECT OF OTHER FEDERAL, STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS, THE APPLICABILITY OF TAX TREATIES, AND POSSIBLE CHANGES IN TAX LAW.

Tax consequences of the Distribution

Distribution of Bergslagets Skogar Shares

Stora Enso and Bergslagets Skogar intend to take the position that the Distribution should qualify under Section 355 of the U.S. Tax Code as a tax-free transaction for U.S. federal income tax purposes. To qualify under Section 355 of the U.S. Tax Code several requirements must be satisfied, including requirements that relate to the business reasons for engaging in the Distribution, the conduct of certain business activities by Stora Enso and Bergslagets Skogar and certain plans or intentions of Stora Enso and Bergslagets Skogar following the Distribution. U.S. Holders should be aware that neither Stora Enso nor Bergslagets Skogar has requested or intends to request an opinion of counsel or a ruling from the IRS with respect to the U.S. federal income tax treatment of the Distribution or any of the statements or conclusions expressed herein. There can be no assurance that the IRS will not take a contrary position to the views expressed herein or that a court in the event of litigation will not agree with a position of the IRS.

If the Distribution qualifies under Section 355 of the U.S. Tax Code, a U.S. Holder of Stora Enso Shares generally should have the following U.S. federal income tax consequences:

- such U.S. Holder should recognize no gain or loss, and have no income, upon the receipt of Bergslagets Skogar Shares in the Distribution;
- the aggregate tax basis of such U.S. Holder's Stora Enso Shares immediately before the Distribution will be allocated between the Stora Enso Shares and the Bergslagets Skogar Shares received in the Distribution by such U.S. Holder, in proportion to their relative fair market values at the time of the Distribution; and
- such U.S. Holder's holding period in its Bergslagets Skogar Shares should include such holder's holding period in its Stora Enso Shares in respect of which the Distribution was made.

U.S. Holders that acquired different blocks of Stora Enso Shares at different times or at different prices should consult their tax advisors regarding the allocation of their aggregate adjusted basis among, and their holding period in, Bergslagets Skogar Shares received in the Distribution with respect to such blocks of Stora Enso Shares.

If, contrary to Stora Enso's and Bergslagets Skogar's position, the Distribution does not qualify under Section 355 of the U.S. Tax Code, the Distribution will be treated as a taxable distribution of Bergslagets Skogar Shares to U.S. Holders of Stora Enso Shares. The amount of the distribution will be the fair market value of the Bergslagets Skogar Shares distributed in the Distribution at the time of the Distribution (as determined in U.S. dollars), and this amount will be treated as a dividend to U.S. Holders to the extent of Stora Enso's current or accumulated earnings and profits (as determined for U.S. federal income tax purposes). The amount of the distribution in excess of Stora Enso's current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the U.S. Holder's basis in its Stora Enso Shares and thereafter as either long-term or short-term capital gain depending upon whether the U.S. Holder held its Stora Enso Shares for more than one year at the time of the Distribution. As a non-U.S. corporation, Stora Enso does not maintain calculations of its earnings and profits for U.S. federal income tax purposes. Thus, if the Distribution is a taxable distribution, U.S. Holders should assume that their receipt of Bergslagets Skogar Shares pursuant to the Distribution will be reported as ordinary dividend income. A U.S. Holder will have a tax basis in the Bergslagets Skogar Shares equal to the fair market value of the Bergslagets Skogar Shares at the time of the Distribution (as determined in U.S. dollars). The dividend generally will be taxable to a noncorporate U.S. Holder at special reduced tax rates applicable to qualified dividend income, provided Stora Enso qualifies for the benefits of the U.S.-Finland Treaty and certain other requirements are met. The dividend generally will constitute non-U.S. source "passive category" income for foreign tax credit limitation purposes.

U.S. Holders are urged to consult their own tax advisors with respect to the appropriate U.S. federal income tax treatment of their receipt of Bergslagets Skogar Shares pursuant to the Distribution.

Tax return requirements

Each U.S. Holder that, immediately before the Distribution, owns (i) at least 5 percent (by vote or value) of the total outstanding Stora Enso Shares or (ii) securities of Stora Enso with an aggregate tax basis of USD 1,000,000 or more must attach to such holder's U.S. federal income tax return for the year in which the Bergslagets Skogar Shares are received a statement setting forth certain information related to the Distribution. U.S. Holders should consult their own tax advisors with respect to the foregoing tax return requirements.

Taxation of Bergslagets Skogar Shares

Distributions with respect to Bergslagets Skogar Shares

Subject to the discussion below under "*Tax considerations – Certain U.S. federal income tax considerations – Passive foreign investment company considerations*", distributions paid by Bergslagets Skogar with respect to the Bergslagets Skogar Shares will be treated as a dividend to the extent the distribution is considered to be paid from Bergslagets Skogar's current or accumulated earnings and profits (as determined for U.S. federal income tax purposes). The amount of any such distribution that is in excess of Bergslagets Skogar's current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the U.S. Holder's basis in its Bergslagets Skogar Shares and thereafter as either long-term or short-term capital gain depending upon whether the U.S. Holder held its Bergslagets Skogar Shares for more than one year (determined by reference to the holding period discussed under "*Tax considerations – Certain U.S. federal income tax considerations – Tax consequences of the Distribution – Distribution of Bergslagets Skogar Shares*" above) as of the time such distribution is actually or constructively received (or on the date the Depositary receives the distribution, in the case of Bergslagets Skogar ADSs). As a non-U.S. corporation, Bergslagets Skogar does not maintain calculations of its earnings and profits for U.S. federal income tax purposes. U.S. Holders therefore should assume that any distribution by Bergslagets Skogar with respect to the Bergslagets Skogar Shares will be reported as ordinary dividend income.

Dividends on the Bergslagets Skogar Shares generally will not be eligible for the dividends-received deduction generally available to U.S. corporations with respect to dividends received from other U.S. corporations. Dividends paid by Bergslagets Skogar generally will be taxable to a non-corporate U.S. Holder at special reduced tax rates applicable to qualified dividend income, provided (i) Bergslagets Skogar qualifies for the benefits of the U.S.-Sweden Treaty, (ii) Bergslagets Skogar is not a PFIC (as discussed below under "*Tax considerations – Certain U.S. federal income tax considerations – Passive foreign investment company considerations*") for either its taxable year in which the dividend is paid or the preceding taxable year and (iii) certain holding period and other requirements are met. U.S. Holders should consult their own tax advisors with respect to the appropriate U.S. federal income tax treatment of any distribution received from Bergslagets Skogar.

Dividends paid by Bergslagets Skogar in non-U.S. currency will be included in a U.S. Holder's income in a U.S. dollar amount calculated by reference to the exchange rate in effect on the day the dividends are actually or constructively received by the U.S. Holder (or on the date the Depositary receives the distribution, in the case of Bergslagets Skogar ADSs), regardless of whether the non-U.S. currency is converted into U.S. dollars at that time. A U.S. Holder will have a basis in such non-U.S. currency received equal to such U.S. dollar value. Gain or loss, if any, realized on the sale or other disposition of such non-U.S. currency generally will be U.S.-source ordinary income or loss. If all non-U.S. currency is converted into U.S. dollars on the date of receipt, a U.S. Holder generally should not be required to recognize foreign currency gain or loss in respect of the distribution.

Any dividends Bergslagets Skogar pays to U.S. Holders, including any amount of tax withheld, generally will constitute non-U.S.-source, "passive category" income for foreign tax credit limitation purposes. Subject to applicable limitations, any Swedish tax withheld at a rate not exceeding the rate provided under the U.S.-Sweden Treaty, if applicable, may be eligible for the foreign tax credit. U.S. Treasury regulations published in 2022 impose complex restrictions on the availability of any such credit for withholding tax imposed by a non-U.S. jurisdiction. However, the IRS has provided temporary relief from the application of certain aspects of these U.S. Treasury regulations until new guidance or revised U.S. Treasury regulations are published. In lieu of claiming a foreign tax credit, U.S. Holders may, at their election, deduct non-U.S. taxes, including any Swedish taxes withheld from dividends on their Bergslagets Skogar Shares, in computing their taxable income, subject to generally applicable limitations under U.S. federal income tax law. An election to deduct non-U.S. taxes instead of claiming foreign tax credits applies to all non-U.S. taxes paid or accrued in the taxable year. If a refund of the tax withheld is available under the laws of Sweden or under the U.S.-Sweden Treaty, the amount of tax withheld that is refundable will not be eligible for such credit against a U.S. Holder's U.S. federal income tax liability (and will not be eligible for the deduction against U.S. federal taxable income). If the dividends constitute qualified dividend income, as discussed above, the amount of the dividend taken into account for purposes of calculating the foreign tax credit limitation generally will be limited to the gross amount of the dividend, multiplied by the reduced rate applicable to the qualified dividend income, divided by the highest rate of tax normally applicable to dividends.

The rules relating to the determination of the foreign tax credit and the deduction of non-U.S. taxes are complex, and U.S. Holders should consult their tax advisors to determine whether and to what extent a credit or deduction may be available in their particular circumstances.

Sale or other taxable disposition of Bergslagets Skogar Shares

Subject to the discussion below under "*Tax considerations – Certain U.S. federal income tax considerations – Passive foreign investment company considerations*", upon a sale or other taxable disposition of its Bergslagets Skogar Shares, a U.S. Holder generally will recognize capital gain or loss for U.S. federal income tax purposes in an amount equal to the difference, if any, between the amount realized on the sale or other taxable disposition and the U.S. Holder's tax basis in its Bergslagets Skogar Shares (as initially determined as described above under "*Tax considerations – Certain U.S. federal income tax considerations – Tax consequences of the Distribution – Distribution of Bergslagets Skogar Shares*"). Such capital gain or loss will be long-term capital gain or loss if the U.S. Holder's holding period for its Bergslagets Skogar Shares (determined by reference to the holding period discussed under "*Tax considerations – Certain U.S. federal income tax considerations – Tax consequences of the Distribution – Distribution of Bergslagets Skogar Shares*" above) exceeds one year at the time of such sale or other taxable disposition. Long-term capital gain

recognized by certain non-corporate U.S. Holders, including individuals, generally is subject to reduced rates of U.S. federal income taxation. The deductibility of capital losses is subject to limitations.

The amount realized on a sale or other taxable disposition of a U.S. Holder's Bergslagets Skogar Shares for an amount in non-U.S. currency generally will be the U.S. dollar value of this amount on the trade date of the sale or other taxable disposition. On the settlement date, the U.S. Holder generally will recognize U.S. source foreign currency gain or loss (taxable as ordinary income or loss) equal to the difference (if any) between the U.S. dollar value of the amount received based on the exchange rates in effect on the trade date and the settlement date. However, in the case of shares or ADSs traded on an "established securities market" that are sold by a cash-basis U.S. Holder (or an accrual-basis U.S. Holder that so elects), the amount realized will be based on the exchange rate in effect on the settlement date for the sale or other taxable disposition, and no exchange gain or loss will be recognized on such date. Such an election by an accrual-basis U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS. Accrual-basis U.S. Holders that do not elect to be treated as cash-basis taxpayers for this purpose may have a foreign currency gain or loss for U.S. federal income tax purposes, which in general will be treated as U.S.-source ordinary income or loss. U.S. Holders should consult their tax advisors as to the U.S. federal income tax consequences of the receipt of non-U.S. currency.

If any non-U.S. tax is imposed on the sale or other disposition of a U.S. Holder's Bergslagets Skogar Shares, such U.S. Holder's amount realized will include the gross amount of the proceeds of the sale or other disposition before deduction of the non-U.S. tax. U.S. Holders should consult their tax advisors concerning the creditability or deductibility of any non-U.S. tax imposed on the sale or disposition of their Bergslagets Skogar Shares in their particular circumstances.

Passive foreign investment company considerations

In general, a corporation organized outside the United States will be treated as a PFIC in any taxable year in which, after taking into account the income and assets of the corporation and certain subsidiaries pursuant to applicable "look-through rules", either (i) at least 75 percent of its gross income is "passive income" or (ii) at least 50 percent of its assets by value either produce passive income or are held for the production of passive income, based on the quarterly average of the fair market value of such assets. For purposes of the PFIC rules, "passive income" generally includes, for example, dividends, interest, certain rents and royalties, certain gains from the sale of stock and securities, and certain gains from commodities transactions.

Based on the present nature of Bergslagets Skogar's activities and the present composition of its assets and sources of income, Bergslagets Skogar does not expect to be treated as a PFIC for its current taxable year. However, because a determination of whether a company is a PFIC must be made annually after the end of each taxable year and Bergslagets Skogar's PFIC status for each taxable year will depend on facts, including the composition of its income and assets and the value of its assets (which may be determined in part by reference to the market value of its shares) at such time, there can be no assurance that Bergslagets Skogar will not be a PFIC for the current or any future taxable year. If Bergslagets Skogar is a PFIC for any taxable year during which a U.S. Holder holds Bergslagets Skogar Shares and any of Bergslagets Skogar's non-U.S. subsidiaries is also a PFIC, such U.S. Holder will be treated as owning a proportionate amount (by value) of the shares of the lower-tier PFIC for purposes of the application of these rules. U.S. Holders should consult their tax advisors about the application of the PFIC rules to any of Bergslagets Skogar's subsidiaries.

Generally, if Bergslagets Skogar were a PFIC for any taxable year during which a U.S. Holder holds its Bergslagets Skogar Shares, the U.S. Holder may be subject to adverse tax consequences. Generally, gain recognized by a U.S. Holder upon a disposition (including, under certain circumstances, a pledge) of Bergslagets Skogar Shares by the U.S. Holder would be allocated ratably over the U.S. Holder's holding period for such Bergslagets Skogar Shares. The amounts allocated to the taxable year of disposition and to years before Bergslagets Skogar became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for that taxable year for individuals or corporations, as appropriate, and an interest charge would be imposed on the tax attributable to the allocated amount. Further, to the extent that any distribution received by a U.S. Holder on its Bergslagets Skogar Shares exceeds 125 percent of the average of the annual distributions on such Bergslagets Skogar Shares received during the preceding three years or the U.S. Holder's holding period, whichever is shorter, that distribution would be subject to taxation in the same manner as gain, as described immediately above. Certain elections may be available that would result in alternative treatments of the Bergslagets Skogar Shares if Bergslagets Skogar were a PFIC.

If Bergslagets Skogar were a PFIC for any year during which a U.S. Holder held its Bergslagets Skogar Shares, Bergslagets Skogar would generally continue to be treated as a PFIC with respect to such U.S. Holder for all succeeding years during which such U.S. Holder held Bergslagets Skogar Shares, even if Bergslagets Skogar ceased to meet the threshold requirements for PFIC status.

If a U.S. Holder holds Bergslagets Skogar Shares during any year in which Bergslagets Skogar is a PFIC, the U.S. Holder generally will be required to file an IRS Form 8621 (Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund) annually with respect to Bergslagets Skogar, generally with the U.S. Holder's U.S. federal income tax return for that year unless specified exceptions apply.

U.S. Holders should consult their tax advisors regarding Bergslagets Skogar's PFIC status for any taxable year, the potential application of the PFIC rules and the reporting requirements associated with such status.

Information reporting and backup withholding

Dividend payments with respect to Bergslagets Skogar Shares and proceeds from a sale or other taxable disposition (including a redemption) of Bergslagets Skogar Shares made within the United States, by a U.S. payor or through certain U.S. related financial intermediaries generally are subject to information reporting to the IRS, unless the U.S. Holder is a corporation or other exempt recipient and, if required, demonstrates that fact. In addition, such payments may be subject to backup withholding, unless (i) the U.S. Holder is a corporation or other exempt recipient or (ii) the U.S. Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding in the manner required. Holders of Bergslagets Skogar Shares should consult their tax advisors regarding the application of the U.S. information reporting and backup withholding rules.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against such holder's U.S. federal income tax liability, and such holder may obtain a refund of any excess amounts withheld under the backup withholding rules by filing an appropriate claim for refund with the IRS and furnishing any required information in a timely manner.

Foreign financial asset reporting

Certain U.S. Holders who are individuals or certain specified entities that own "specified foreign financial assets" with an aggregate value in excess of certain threshold amounts may be required to report information relating to their Bergslagets Skogar Shares by attaching a complete IRS Form 8938 (Statement of Specified Foreign Financial Assets), which requires U.S. Holders to report "foreign financial assets" (which generally include financial accounts held at a non-U.S. financial institution, interests in non-U.S. entities, as well as stock and other securities issued by a non-U.S. person), to their tax return for each year in which they hold Bergslagets Skogar Shares, subject to certain exceptions (including an exception for securities held in accounts maintained by U.S. financial institutions). U.S. Holders should consult their tax advisors regarding this and other potential reporting obligations with respect to their acquisition, ownership, and disposition of their Bergslagets Skogar Shares.



Historical financial information

Bergslagets Skogar

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Condensed Combined Interim Financial Information as at and for the nine-month period ended 30 September 2026

Combined Income Statement

SEK million	Note	Jan–Sep 2026	Jan–Sep 2025	Full Year 2025
Sales	2	1,498	1,424	1,910
Other operating income		112	122	145
Materials and services		–715	–214	–293
Personnel expenses		–234	–49	–79
Other operating expenses		–178	–155	–209
Change in net value of biological assets	3	33	–451	3,945
Depreciation, amortization and impairment charges		–34	–33	–48
Operating profit	2	**482**	**643**	**5,371**
Share of results in joint ventures		–0	–0	–0
Change in fair value of unlisted securities		–0	–0	0
Interest income		17	13	18
Investing items		**16**	**13**	**18**
Profit before financing and income tax		**498**	**656**	**5,389**
Interest expense		–107	–111	–147
Financing items		**–107**	**–111**	**–147**
Profit before tax		**391**	**545**	**5,241**
Current income tax		–164	–140	–183
Deferred income tax		81	36	–890
Income tax		**–83**	**–104**	**–1,073**
Net profit for the period		**308**	**441**	**4,169**
Net profit attributable to				
Owners of Bergslagets Skogar		308	441	4,169

Combined Statement of Comprehensive Income

SEK million	Note	Jan–Sep 2026	Jan–Sep 2025	Full Year 2025
Net profit for the period		**308**	**441**	**4,169**
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Revaluation of forest land	3	1,131	227	–3,680
Income tax relating to items that will not be reclassified		–233	–47	758
		898	180	–2,922
Items that may be reclassified subsequently to profit or loss				
Currency translation differences		0	–2	–3
Income tax relating to items that may be reclassified		–	–	–
		0	–2	–3
Total comprehensive income		**1,206**	**619**	**1,244**
Total comprehensive income attributable to				
Owners of Bergslagets Skogar		1,206	619	1,244

Combined Statement of Financial Position

SEK million	Note	2026-09-30	2025-09-30	2025-12-31
Assets				
Software		59	58	63
Property, plant and equipment		374	351	358
Right-of-use assets		0	1	1
Forest assets	3			
Biological assets	3	49,175	45,159	48,985
Forest land	3	14,575	17,334	13,443
Investments in joint ventures		14	11	11
Unlisted securities	4	28	28	28
Other non-current financial assets	4	4	4	4
Non-current assets		**64,229**	**62,946**	**62,894**
Inventories		393	154	829
Tax receivables		2	1	1
Operative receivables	5	756	490	426
Current interest-bearing receivables, related party	5	816	888	1,299
Cash and cash equivalents	4	208	20	20
Current assets		**2,176**	**1,552**	**2,574**
Total assets		**66,405**	**64,498**	**65,468**
Equity and liabilities				
Share capital		–	–	–
Other contributed capital		27,424	27,835	27,813
Revaluation reserve		9,192	11,396	8,294
Translation reserve		–2	–1	–2
Retained earnings including net profit for the period		8,938	4,903	8,631
Equity attributable to owners of Bergslagets Skogar		**45,553**	**44,133**	**44,736**
Provisions		295	321	316
Deferred tax liabilities		13,080	12,809	12,929
Non-current interest-bearing liabilities, related party	5	6,000	6,000	6,000
Non-current liabilities		**19,375**	**19,129**	**19,245**
Lease liabilities	4	0	1	1
Current financial liabilities, related party	5	880	866	1,170
Provisions		160	128	136
Operative liabilities	5	428	241	180
Tax liabilities		8	0	0
Current liabilities		**1,477**	**1,235**	**1,487**
Total equity and liabilities		**66,405**	**64,498**	**65,468**

Combined Statement of Changes in Equity

SEK million	Note	Share capital	Other contributed capital	Revaluation reserve	Translation reserve	Retained earnings including net profit for the period	Equity attributable to owners of Bergslagets Skogar
Balance at 1 January 2025		**–**	**28,369**	**11,216**	**1**	**4,462**	**44,047**
Net profit for the period		–	–	–	–	441	441
Other comprehensive income		–	–	180	–2	–	179
Total comprehensive income		**–**	**–**	**180**	**–2**	**441**	**619**
Group contribution (distribution) to Remaining Stora Enso Group, net	5	–	–856	–	–	–	–856
Other transactions with Remaining Stora Enso Group, net	5	–	322	–	–	–	322
Transactions with owners	5	–	–533	–	–	–	–533
Balance at 30 September 2025		**–**	**27,835**	**11,396**	**–1**	**4,903**	**44,133**
Balance at 1 January 2026		**–**	**27,813**	**8,294**	**–2**	**8,631**	**44,736**
Net profit for the period		–	–	–	–	308	308
Other comprehensive income		–	–	898	0	–	898
Total comprehensive income		**–**	**–**	**898**	**0**	**308**	**1,206**
Group contribution (distribution) to Remaining Stora Enso Group, net	5	–	–870	–	–	–	–870
Capital contribution received from Remaining Stora Enso Group	5	–	310	–	–	–	310
Other transactions with Remaining Stora Enso Group, net	5	–	171	–	–	–	171
Transactions with owners	5	–	–389	–	–	–	–389
Balance at 30 September 2026		**–**	**27,424**	**9,192**	**–2**	**8,938**	**45,553**

Combined Statement of Cash Flows

SEK million	Note	Jan–Sep 2026	Jan–Sep 2025	Full Year 2025
Cash flow from operating activities				
Operating profit		482	643	5,371
Adjustments and reversal of non-cash items:				
Depreciation and impairment charges		34	33	48
Change in net value of biological assets	3	–33	451	–3,945
Profits and losses on sale of fixed assets and investments		–12	–42	–43
Other adjustments		449[1)]	78	107
Income taxes paid		–157	–140	–183
Provisions paid		–20	–100	–125
Change in net working capital		–76	50	14
Net cash from operating activities		**666**	**973**	**1,242**
Cash flow from investing activities				
Investments in joint ventures		–3	–10	–11
Acquisition of unlisted securities		–	–9	–9
Cash flow on disposal of subsidiary shares and business operations, net of disposed cash		–	40	40
Cash flow on disposal of software and property, plant and equipment		14	8	9
Capital expenditure of software and property, plant and equipment		–44	–37	–64
Investment in forest assets	3	–231	–259	–368
Disposal of forest assets	3	73	12	40
Interest received		17	13	18
Proceeds from non-current receivables		–	182	182
Payment of non-current receivables		–	–2	–2
Net cash used in investing activities		**–175**	**–62**	**–166**
Cash flow from financing activities				
Change in cash pool, related party	5	483	116	–295
Change in liabilities, related party	5	–254	–327	–59
Group contribution (distribution) to Remaining Stora Enso Group, net	5	–870	–856	–1,108
Capital contribution received from Remaining Stora Enso Group	5	310	–	410
Equity financing with Remaining Stora Enso Group, net	5	171	322	142
Interest paid to Remaining Stora Enso Group		–142	–147	–147
Net cash used in financing activities		**–303**	**–892**	**–1,057**
Net change in cash and cash equivalents		**188**	**19**	**19**
Net cash and cash equivalents at beginning of year		20	1	1
Net cash and cash equivalents at end of period		**208**	**20**	**20**

1) Where of SEK 426 million is related to non-cash cost of storm damaged timber sold. For further details see Note 2 and Note 6.

Notes for the Condensed Combined Interim Financial Information

Note 1 Basis of Preparation

On 30 October 2026, it was announced that the Board of Directors of Stora Enso Oyj ('Stora Enso') had approved a demerger plan ('the Demerger Plan') for the cross-border partial demerger of Stora Enso's Swedish forest assets business ('the Demerger') into Bergslagets Skogar AB, a Swedish public limited liability company to be incorporated in the Demerger. The Demerger is, among other things, subject to approval of an extraordinary general meeting to be held on 15 December 2026, and subsequent approval by the Board of Directors of Stora Enso Oyj. This unaudited condensed combined interim financial information for the nine-month period ended 30 September 2026 has been prepared in accordance with IAS 34 Interim Financial Reporting standard. The condensed combined interim financial information applies the same basis of preparation and accounting policies as those applied in Bergslagets Skogar's unaudited combined financial statements prepared for the years ended 31 December 2025 and 2024. New or revised IFRS® Accounting Standards have not had any impact on Bergslagets Skogar's financial statements.

The condensed combined interim financial information has been prepared by combining the historical book values for income and expenses, assets and liabilities and cash flows that are directly attributable to, allocated to, or which will transfer to Bergslagets Skogar in the Demerger.

Bergslagets Skogar has not formed a separate legal group of entities during the periods presented. Thus, the condensed combined interim financial information may not be indicative of Bergslagets Skogar's future performance and does not necessarily reflect what its income statement, statement of financial position and cash flows would have been, had Bergslagets Skogar operated as a standalone consolidated group and had it therefore presented standalone consolidated financial information during the periods presented.

All figures in this interim financial information have been rounded to the nearest million, unless otherwise stated. Therefore, percentages and figures in this report may not add up precisely to the totals presented.

This unaudited condensed combined interim financial information has been prepared in connection with the proposed Demerger and for inclusion in the information brochure to be made available to Stora Enso Oyj's shareholders in connection with their consideration of the proposed Demerger at the extraordinary general meeting, and was authorized for issue by the Board of Directors of Stora Enso Oyj on 19 November 2026.

Note 2 Segment information

Operating segments are reported in a manner consistent with the future internal reporting that will be provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the CEO of Bergslagets Skogar, who makes strategic decisions. There are three operating segments, Forest, Renewable Energy and Falu Rödfärg. Revenues, profit and assets in Renewable Energy and Falu Rödfärg respectively are less than 10 percent of the total and Bergslagets Skogar has elected to not present these as separate reportable segments but present these together with other business activities under the heading "Other".

Forest

The Forest segment manages forest assets as well as the nursery business providing seed and seedlings externally and internally.

Harvesting and delivery operations are subject to seasonal variations, as wood supply is subject to seasonal changes, with higher sales in late spring and autumn, and lower sales during summer and winter periods. In particular, ground-bearing harvesting conditions are generally weaker during spring thaw and periods of heavy rainfall, which can constrain harvesting activity and delay deliveries to customers, affecting the timing of revenue recognition and cash flows within any financial year.

In December 2025 a storm damaged Bergslagets Skogar's forests and SEK 635 million of biological assets were transferred from biological assets to inventory. SEK 426 million of the inventory have been sold in 2026. Due to the impact of storm damaged forest, the sales decreased by SEK 99 million and an additional cost of SEK 10 million was recognized as materials and services. These additional costs and decrease of sales are presented as items affecting comparability (see Note 6 – Management Performance Measures).

Other

Other includes Falu Rödfärg, development of renewable energy sites and group overheads.

Note 2 Segment information, cont.

		Jan-Sep 2026			Jan-Sep 2025			Full Year 2025		
SEK million	**Note**	**Forest**	**Other**	**Group**	**Forest**	**Other**	**Group**	**Forest**	**Other**	**Group**
Related party sales	5	1,331	–	1,331	1,267	–	1,267	1,740	–	1,740
External sales		67	101	168	57	100	157	66	104	170
Sales		**1,398**	**101**	**1,498**	**1,324**	**100**	**1,424**	**1,807**	**104**	**1,910**
Wood delivery stumpage sales		1,299	–	1,299	1,226	–	1,226	1,700	–	1,700
Seed and seedlings sales		99	–	99	98	–	98	107	–	107
Falu Rödfärg		–	101	101	–	100	100	–	104	104
Sales		**1,398**	**101**	**1,498**	**1,324**	**100**	**1,424**	**1,807**	**104**	**1,910**
Sales[1)]		1,497	101	1,598	1,324	100	1,424	1,807	104	1,910
Other operating income		90	10	100	66	14	80	83	18	101
Materials and services[2)]	6	–234	–45	–279	–169	–45	–214	–248	–45	–293
Personnel expenses	6	–180	–29	–209	–37	–13	–49	–61	–18	–79
Other operating expenses	6	–84	–10	–94	–141	–18	–159	–190	–25	–214
Depreciation, amortization and impairment charges		–26	–8	–34	–32	–2	–33	–46	–2	–48
Adjusted operating profit		**1,063**	**18**	**1,082**	**1,012**	**36**	**1,049**	**1,346**	**32**	**1,378**
Add back: Change in net value of biological assets		33	–	33	–451	–	–451	3,945	–	3,945
Add back: Profits and losses on sale of fixed assets and investments		12	–	12	2	40	42	4	40	43
Add back: Items affecting comparability	6	–583	–61	–644	–	3	3	–	5	5
Operating profit		**525**	**–43**	**482**	**564**	**79**	**643**	**5,295**	**76**	**5,371**
Investing items				16			13			18
Financing items				–107			–111			–147
Profit before tax				**391**			**545**			**5,241**
Capital expenditure of software and property, plant and equipment		29	15	44	11	26	37	27	37	64
Investment in reforestation	3	218	–	218	215	–	215	286	–	286
Total capital expenditures		**248**	**15**	**263**	**226**	**26**	**251**	**313**	**37**	**350**
Adjusted operating profit margin (%)		71%	16%	67%	73%	24%	68%	71%	20%	67%

1) SEK 99 million added to sales in January – September 2026 to adjust for the impact of the storm damaged forest. See Note 6 for further information.
2) SEK 436 million deducted from materials and services in January – September 2026 to adjust for the cost of storm damaged timber (SEK 426 million) and storm damage (SEK 10 million). See Note 6 for further information.

Note 3 Forest assets

Forest assets comprise standing growing trees (biological assets) and related forest land. The total fair value of forest assets is determined using a market approach based on transaction prices for forest properties in the regions where Bergslagets Skogar operates. Refer to Note 15 Forest assets in the Combined Financial Statements as at and for the Financial Years ended 31 December 2025 and 31 December 2024 for further information on the valuation of biological assets and forest land.

Forest assets

	Forest assets total			Biological assets			Forest land		
	As at 30 September		As at 31 December	As at 30 September		As at 31 December	As at 30 September		As at 31 December
SEK million	2026	2025	2025	2026	2025	2025	2026	2025	2025
Carrying amount at 1 January	**62,428**	**62,470**	**62,470**	**48,985**	**45,370**	**45,370**	**13,443**	**17,100**	**17,100**
Additions	12	44	83	9	36	65	3	8	18
Investment in reforestation	218	215	286	148	133	174	71	82	112
Reforestation reclassification	–	–	–	60	80	97	–60	–80	–97
Investment in forest assets	231	259	368	217	249	335	14	10	33
Disposals	–73	–12	–40	–60	–9	–30	–13	–3	–10
Reclassification to inventory	–	–	–635	–	–	–635	–	–	–
Change in net value	1,163	–223	265	33	–451	3,945	1,131	227	–3,680
Carrying amount at period end	**63,750**	**62,493**	**62,428**	**49,175**	**45,159**	**48,985**	**14,575**	**17,334**	**13,443**

Note 4 Fair value

Carrying amounts of financial assets and liabilities by measurement and fair value categories: As at 30 September 2026

					Fair value hierarchy		
SEK million	Amortized cost	Fair value through profit or loss	Total carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets							
Unlisted securities	–	28	28	28	–	–	28
Other non-current financial assets	–	4	4	4	–	–	4
Trade and other operative receivables[1)]	748	–	748	748	–	–	–
Current interest-bearing receivables, related party[1)]	816	–	816	816	–	–	–
Cash and cash equivalents	208	–	208	208	–	–	–
Total	**1,773**	**32**	**1,805**	**1,805**	**–**	**–**	**32**

1) Carrying amount is a reasonable approximation of fair value.

					Fair value hierarchy		
SEK million	Amortized cost	Fair value through profit or loss	Total carrying amount	Fair value	Level 1	Level 2	Level 3
Financial liabilities							
Non-current interest-bearing liabilities, related party	6,000	–	6,000	5,834	–	–	5,834
Lease liabilities[1)]	0	–	0	0	–	–	–
Current financial liabilities, related party[1)]	880	–	880	880	–	–	–
Trade and other operative payables[1)]	427	–	427	427	–	–	–
Total	**7,308**	**–**	**7,308**	**7,142**	**–**	**–**	**5,834**

1) Carrying amount is a reasonable approximation of fair value.

Note 4 Fair value, cont.

Carrying amounts of financial assets and liabilities by measurement and fair value categories: As at 30 September 2025

					Fair value hierarchy		
SEK million	Amortized cost	Fair value through profit or loss	Total carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets							
Unlisted securities	–	28	28	28	–	–	28
Other non-current financial assets	–	4	4	4	–	–	4
Trade and other operative receivables[1)]	484	–	484	484	–	–	–
Current interest-bearing receivables, related party[1)]	888	–	888	888	–	–	–
Cash and cash equivalents	20	–	20	20	–	–	–
Total	**1,392**	**32**	**1,424**	**1,424**	**–**	**–**	**32**

1) Carrying amount is a reasonable approximation of fair value.

					Fair value hierarchy		
SEK million	Amortized cost	Fair value through profit or loss	Total carrying amount	Fair value	Level 1	Level 2	Level 3
Financial liabilities							
Non-current interest-bearing liabilities, related party	6,000	–	6,000	5,852	–	–	5,852
Lease liabilities[1)]	1	–	1	1	–	–	–
Current financial liabilities, related party[1)]	866	–	866	866	–	–	–
Trade and other operative payables[1)]	240	–	240	240	–	–	–
Total	**7,107**	**–**	**7,107**	**6,958**	**–**	**–**	**5,852**

1) Carrying amount is a reasonable approximation of fair value.

Carrying amounts of financial assets and liabilities by measurement and fair value categories: As at 31 December 2025

					Fair value hierarchy		
SEK million	Amortized cost	Fair value through profit or loss	Total carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets							
Unlisted securities	–	28	28	28	–	–	28
Other non-current financial assets	–	4	4	4	–	–	4
Trade and other operative receivables[1)]	426	–	426	426	–	–	–
Current interest-bearing receivables, related party[1)]	1,299	–	1,299	1,299	–	–	–
Cash and cash equivalents	20	–	20	20	–	–	–
Total	**1,744**	**32**	**1,777**	**1,777**	**–**	**–**	**32**

1) Carrying amount is a reasonable approximation of fair value.

					Fair value hierarchy		
SEK million	Amortized cost	Fair value through profit or loss	Total carrying amount	Fair value	Level 1	Level 2	Level 3
Financial liabilities							
Non-current interest-bearing liabilities, related party	6,000	–	6,000	5,876	–	–	5,876
Lease liabilities[1)]	1	–	1	1	–	–	–
Current financial liabilities, related party[1)]	1,170	–	1,170	1,170	–	–	–
Trade and other operative payables[1)]	180	–	180	180	–	–	–
Total	**7,350**	**–**	**7,350**	**7,226**	**–**	**–**	**5,876**

1) Carrying amount is a reasonable approximation of fair value.

Note 4 Fair value, cont.

Reconciliation of level 3 fair value measurement of financial assets and liabilities

SEK million	2026	As at 30 September 2025	As at 31 December 2025
Financial assets			
Opening balance at 1 January	32	22	22
Gains/losses recognized in income statement	–0	0	0
Additions	–	10	10
Closing balance at period end	**32**	**32**	**32**

Note 5 Related party transactions

Related parties

Bergslagets Skogar is part of Stora Enso Group until the completion of the Demerger. Stora Enso Group's remaining business, i.e. Stora Enso Oyj and its subsidiaries, excluding Bergslagets Skogar ('Remaining Stora Enso Group'), are considered to be related parties to Bergslagets Skogar. Bergslagets Skogar's joint ventures are also considered to be related parties. Further Solidium Oy and Wallenberg Investments AB with its subsidiaries, e.g. Wallenberg Investments Holdings AB (previously FAM AB) and Kopparfors Fastigheter AB are classified as related parties. In 2026 Kopparfors Fastigheter AB has purchased seed and seedlings of in total SEK 1 (3) million.

Balances and transactions between Bergslagets Skogar's legal entities have been eliminated on combination and are not disclosed in this note.

Stora Enso Oyj has announced the Executive Management Team of Bergslagets Skogar AB that includes Tuomas Hallenberg, CEO, Martin Ros, CFO, Johan Djurberg, Head of Forestry and Pontus Selderman, General Counsel. The announcement of Hallenberg was made on 14 November 2025 and he assumed his role in January 2026. The other members of the Executive Management Team were announced on 6 March 2026. The members of the Executive Management Team are related parties and receive market-based compensation. The benefit expenses consist of salaries and bonuses paid (SEK 11 (–) million), accrued pensions (SEK 3 (–) million) and accrued share-based compensations (SEK 2 (–) million).

Board members proposed to be appointed to the Board of Directors of Bergslagets Skogar AB have been nominated on 8 January 2026 and are supporting the Board of Directors of Stora Enso Oyj and the Executive Management Team in the separation process. The board members proposed to be appointed are considered related parties and receive compensation under service agreements of in total SEK 7 million for the financial year 2026, which has been paid in full.

Transactions with Remaining Stora Enso Group

Materials and services with related parties consist of purchased services from other legal entities within the Remaining Stora Enso Group. Charges for central services, as well as direct and indirect services, are based on actual costs incurred by the Remaining Stora Enso Group and are primarily recognized under Materials and services and Other operating expenses but a portion is recognized as investment in biological assets. Previously unallocated central costs in Stora Enso Group, which mainly are costs related to Stora Enso Group's management activities, have not been allocated to Bergslagets Skogar.

The annual interest rate for non-current loan of SEK 6,000 million is 2.35% (2.35%).

Between Bergslagets Skogar and the Remaining Stora Enso Group there are operative receivables, cash pool and other interest-bearing receivables and liabilities. Cash pools are presented as current interest-bearing receivables.

Sales, purchases and interest

SEK million	Jan–Sep 2026	Jan–Sep 2025	Full Year 2025
Sales	1,330	1,264	1,737
Other operating income	21	1	2
Materials and services	–364	–311	–460
Other operating expenses	–43	–115	–151
Interest income	17	13	18
Interest expense	–107	–111	–147

Outstanding balances

SEK million	2026	As at 30 September 2025	As at 31 December 2025
Operative receivables	686	455	403
Current interest-bearing receivables	816	888	1,299
Non-current interest-bearing liabilities	–6,000	–6,000	–6,000
Current financial liabilities, related party	–880	–866	–1,170
Operative liabilities	–183	–171	–55

Transactions with owners in equity

SEK million	2026	As at 30 September 2025	As at 31 December 2025
Group contributions, net	–870	–856	–1,108
Effective tax effects	178	156	199
Other transfer of assets and liabilities without considerations[1)]	–7	166	190
Settlement of nursery activity operations[2)]	–	–	–246
Capital contributions	310	–	410
Total transactions with owners	**–389**	**–533**	**–555**

1) Other transfer of assets and liabilities without consideration consists of economic activities that have been carved in from companies under common control of Stora Enso Oyj such as the nursery activities and forest intelligence platform activities and activities carved out from Bergslagets Skogar's legal entities such as the divested 175,000 hectares of Swedish forest assets.

2) Settlement of nursery activity operations represent the purchase consideration paid for the nursery activities transferred to Bergslaget Förvaltnings AB on 1 December 2025.

Note 6 Management Performance Measures

The Management Performance Measures (MPM) of Bergslagets Skogar provides management's view of an aspect of the financial performance of Bergslagets Skogar as a whole and that it is not necessarily comparable to MPMs disclosed by other entities.

SEK million	Jan-Sep 2026	Jan-Sep 2025	Full Year 2025
Adjusted operating profit	1,082	1,049	1,378
Investing items	16	13	18

Definitions of management performance measures

Financial measure	Description	Reason for use of the measure
Adjusted operating profit	Operating profit or loss adjusted for items affecting comparability, profits and losses on sale of fixed assets and investments and net value changes of biological assets. Items affecting comparability are items that are either not expected to arise in future reporting periods or considered by management not to be a part of the underlying core business activities, and include e.g. larger non-recurring income, larger restructuring initiatives, loss or additional cost due to natural events, environmental provision, and separation and listing costs, having a significant impact on the comparability.	Used by management to analyze the business and, from time-to-time, for short-term and long-term target setting. This is helpful in understanding the trends in the Group's underlying profitability excluding the impacts from transactions not expected to arise in future reporting periods or those that are not part of the underlying core business operations.
Investing items	Includes share of result in joint ventures, change in fair value of unlisted securities and interest income.	Used by management to analyze the business investing activities. This is helpful when evaluating capital allocation decisions and the performance of assets held primarily to generate returns.

Reconciliation of management performance measures

Adjusted operating profit

	Before tax			Income tax effect			After tax		
SEK million	Jan-Sep 2026	Jan-Sep 2025	Full Year 2025	Jan-Sep 2026	Jan-Sep 2025	Full Year 2025	Jan-Sep 2026	Jan-Sep 2025	Full Year 2025
Operating profit	482	643	5,371						
(+/–) change in net value of biological assets	–33	451	–3,945	7	–93	813	–26	358	–3,132
(–/+) Profits and losses on sale of fixed assets and investments	–12	–42	–43	2	9	9	–9	–33	–34
(+/–) Items affecting comparability	644	–3	–5	–133	1	1	512	–3	–4
Adjusted operating profit	**1,082**	**1,049**	**1,378**						

The income tax effect in the reconciliation above is computed using the statutory tax rate in Sweden of 20.6% for each period.

Items affecting comparability (IAC)

	Before tax			Income tax effect			After tax		
SEK million	Jan-Sep 2026	Jan-Sep 2025	Full Year 2025	Jan-Sep 2026	Jan-Sep 2025	Full Year 2025	Jan-Sep 2026	Jan-Sep 2025	Full Year 2025
Restructuring[1)]	25			–5			20		
Cost of storm damaged timber[2)]	426			–88			338		
Environmental provisions[3)]	–2	–3	–5	0	1	1	–1	–3	–4
Storm damage[4)]	109			–23			87		
Separation and listing cost[3)]	85			–18			68		
Total	**644**	**–3**	**–5**				**512**	**–3**	**–4**

1) Affecting personnel expenses.
2) Affecting materials and services.
3) Affecting other operating expenses.
4) Affecting sales (SEK 99 million) and materials and services (SEK 10 million).

The income tax effect in the reconciliation above is computed using the statutory tax rate in Sweden of 20.6% for each period.

Note 7 Events after the reporting period

On 30 October 2026, Stora Enso announced that the Board of Directors of Stora Enso had approved the demerger plan. On 2 November 2026, Stora Enso announced that the Board of Directors of Stora Enso had decided to convene an extraordinary general meeting to be held on 15 December 2026 to resolve on the Demerger in accordance with the demerger plan whereby a public Swedish limited liability company, with the proposed trade name Bergslagets Skogar AB, is incorporated. The completion of the Demerger is, among other things, subject to approval by Stora Enso's shareholders at an extraordinary general meeting in Stora Enso Oyj, which is scheduled to be held on 15 December 2026, and subsequent approval by the Board of Directors of Stora Enso Oyj. The Demerger is expected to be completed on 31 March 2027 ('Demerger Effective Date'). At the Demerger Effective Date Bergslagets Skogar AB is incorporated. The shares of the newly incorporated company are expected to be listed at Nasdaq Stockholm and Nasdaq Helsinki soon after the Demerger is effective.

At the Demerger Effective Date, all such assets, rights, debts and liabilities which relate to, or primarily serve, the Swedish forest assets business, shall be transferred without a liquidation procedure to Bergslagets Skogar AB, to be incorporated in the Demerger. The assets include e.g. all shares in Bergslaget Holding AB, identified forest intelligence platform assets, an interest-bearing receivable on Bergslaget Holding AB amounting to SEK 6,000 million plus accrued unpaid interest thereon. The liabilities transferred include an interest-bearing liability payable to Stora Enso Oyj amounting to approximately SEK 9.48 billion for which settlement is expected to take place shortly after the completion of the Demerger ('the Back-to-Back Loan').

Stora Enso Oyj, as guarantor, and Bergslagets Egendomar AB, as borrower, have during October 2026 entered into a SEK 6 billion senior secured facilities agreement and an up to SEK 3.5 billion secured facility agreement with certain Nordic lenders, pursuant to which new external financing is to be made available to be drawn down as of, or shortly after, the Demerger Effective Date by Bergslagets Egendomar AB. Stora Enso Oyj has entered into the SEK 6 billion facilities agreement and the SEK 3.5 billion facility agreement as a guarantor with respect to guarantees becoming effective as of the Demerger Effective Date, but the rights and obligations of Stora Enso Oyj under both financing agreements are to be transferred to, and will be binding towards, Bergslagets Skogar AB as a guarantor as of the Demerger Effective Date following which Stora Enso Oyj will be released from all liabilities thereunder.

On 22 October 2026, Bergslagets Skogar entered into a Wood Sales Agreement ('WSA') with Remaining Stora Enso. The WSA is valid for a period of 18 years following the Demerger. The terms and conditions in the WSA correspond in all material respects to the terms and conditions in the current wood sales agreement in force between Bergslagets Skogar and Remaining Stora Enso, with the exception of the over time decreasing volumes exclusive to Stora Enso and thereto related adjustments.

Other than the above, there have been no significant changes in Bergslagets Skogar's financial position after 30 September 2026 up to and including the date of authorization for issue by the Board of Directors of Stora Enso Oyj.

Combined Financial Statements as at and for the Financial Years ended 31 December 2025 and 31 December 2024

Combined Income Statement

SEK million	Note	2025	2024
Sales	3	1,910	1,734
Other operating income	4	145	165
Materials and services	5	−293	−286
Personnel expenses	6	−79	−65
Other operating expenses	9	−209	−238
Change in net value of biological assets	15	3,945	4,483
Depreciation, amortization and impairment charges	10	−48	−46
Operating profit	3	**5,371**	**5,747**
Share of results in joint ventures	11	−0	−1
Change in fair value of unlisted securities	16	0	0
Interest income		18	25
Investing items		**18**	**24**
Profit before financing and income tax		**5,389**	**5,771**
Interest expense	12	−147	−144
Financing items		**−147**	**−144**
Profit before tax		**5,241**	**5,628**
Current income tax	13	−183	−195
Deferred income tax	13	−890	−971
Income tax		**−1,073**	**−1,166**
Net profit for the year		**4,169**	**4,462**
Net profit attributable to			
Owners of Bergslagets Skogar		4,169	4,462

Combined Statement of Comprehensive Income

SEK million	Note	2025	2024
Net profit for the year		**4,169**	**4,462**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Revaluation of forest land	15	−3,680	−2,773
Income tax relating to items that will not be reclassified	13	758	571
		−2,922	−2,202
Items that may be reclassified subsequently to profit or loss			
Currency translation differences		−3	1
Income tax relating to items that may be reclassified		–	–
		−3	1
Total comprehensive income		**1,244**	**2,261**
Total comprehensive income attributable to			
Owners of Bergslagets Skogar		1,244	2,261

Combined Statement of Financial Position

SEK million	Note	2025-12-31	2024-12-31	2024-01-01
Assets				
Software	14	63	50	28
Property, plant and equipment	14	358	362	355
Right-of-use assets	14	1	1	1
Forest assets	15			
Biological assets	15	48,985	45,370	40,689
Forest land	15	13,443	17,100	19,890
Investments in joint ventures	11	11	0	0
Unlisted securities	16, 24	28	20	20
Non-current interest-bearing receivables, related party	24, 26	–	182	182
Other non-current financial assets	24	4	2	2
Non-current assets		**62,894**	**63,087**	**61,166**
Inventories	17	829	161	145
Tax receivables		1	0	3
Operative receivables	18	426	476	105
Current interest-bearing receivables, related party	26	1,299	1,005	967
Cash and cash equivalents	24	20	1	0
Current assets		**2,574**	**1,643**	**1,220**
Total assets		**65,468**	**64,730**	**62,386**
Equity and liabilities				
Share capital	19	–	–	–
Other contributed capital		27,813	28,369	29,126
Revaluation reserve		8,294	11,216	13,418
Translation reserve		–2	1	–
Retained earnings including net profit for the year		8,631	4,462	–
Equity attributable to owners of Bergslagets Skogar		**44,736**	**44,047**	**42,543**
Provisions	20	316	343	356
Deferred tax liabilities	13	12,929	12,798	12,398
Non-current interest-bearing liabilities, related party	22, 26	6,000	6,000	6,000
Non-current liabilities		**19,245**	**19,141**	**18,754**
Lease liabilities	24	1	1	1
Current financial liabilities, related party	22, 26	1,170	1,229	784
Provisions	20	136	127	137
Operative liabilities	23	180	184	167
Tax liabilities		0	0	–
Current liabilities		**1,487**	**1,542**	**1,088**
Total equity and liabilities		**65,468**	**64,730**	**62,386**

Combined Statement of Changes in Equity

SEK million	Note	Share capital	Other contributed capital	Revaluation reserve	Translation reserve	Retained earnings including net profit for the year	Equity attributable to owners of Bergslagets Skogar
Balance at 1 January 2024		**–**	**29,126**	**13,418**	**–**	**–**	**42,543**
Net profit for the year		–	–	–	–	4,462	4,462
Other comprehensive income		–	–	–2,202	1	–	–2,201
Total comprehensive income		**–**	**–**	**–2,202**	**1**	**4,462**	**2,261**
Group contribution (distribution) to Remaining Stora Enso Group, net	26	–	–1,202	–	–	–	–1,202
Other transactions with Remaining Stora Enso Group, net	26	–	445	–	–	–	445
Transactions with owners	26	–	–757	–	–	–	–757
Balance at 31 December 2024		**–**	**28,369**	**11,216**	**1**	**4,462**	**44,047**
Net profit for the year		–	–	–	–	4,169	4,169
Other comprehensive income		–	–	–2,922	–3	–	–2,925
Total comprehensive income		**–**	**–**	**–2,922**	**–3**	**4,169**	**1,244**
Group contribution (distribution) to Remaining Stora Enso Group, net	26	–	–1,108	–	–	–	–1,108
Capital contribution received from Remaining Stora Enso Group	26	–	410	–	–	–	410
Other transactions with Remaining Stora Enso Group, net	26	–	142	–	–	–	142
Transactions with owners	26	–	–555	–	–	–	–555
Balance at 31 December 2025		**–**	**27,813**	**8,294**	**–2**	**8,631**	**44,736**

Combined Statement of Cash Flows

SEK million	Note	2025	2024
Cash flow from operating activities			
Operating profit		5,371	5,747
Adjustments and reversal of non-cash items:			
Depreciation and impairment charges	10	48	46
Change in net value of biological assets	15	–3,945	–4,483
Profits and losses on sale of fixed assets and investments		–43	–41
Other adjustments		107	113
Income taxes paid		–183	–192
Provisions paid	20	–125	–136
Change in net working capital		14	–370
Net cash from operating activities		**1,242**	**683**
Cash flow from investing activities			
Investments in joint ventures		–11	–1
Acquisition of unlisted securities	16	–9	–
Cash flow on disposal of subsidiary shares and business operations, net of disposed cash		40	–
Cash flow on disposal of software and property, plant and equipment		9	47
Capital expenditure of software and property, plant and equipment		–64	–80
Investment in forest assets	15	–368	–272
Disposal of forest assets	15	40	92
Interest received		18	25
Proceeds from non-current receivables		182	0
Payment of non-current receivables		–2	–
Net cash used in investing activities		**–166**	**–189**
Cash flow from financing activities			
Change in cash pool, related party	26	–295	–50
Change in liabilities, related party	26	–59	457
Group contribution (distribution) to Remaining Stora Enso Group, net	26	–1,108	–1,202
Capital contribution received from Remaining Stora Enso Group	26	410	–
Equity financing with Remaining Stora Enso Group, net	26	142	445
Interest paid to Remaining Stora Enso Group		–147	–144
Net cash used in financing activities		**–1,057**	**–494**
Net change in cash and cash equivalents		**19**	**0**
Net cash and cash equivalents at beginning of year		1	0
Net cash and cash equivalents at year end		**20**	**1**

Notes for the Combined Financial Statements

Note 1 Material accounting policies

The Board of Directors of Stora Enso Oyj has approved a demerger plan ('the Demerger Plan') to demerge its Swedish forest assets business through a partial cross border demerger ('the Demerger'). Through the Demerger, a Swedish public limited liability company with the proposed trade name Bergslagets Skogar AB, will be incorporated. The Demerger is, among other things, subject to the approval of the extraordinary general meeting and subsequent approval by the Board of Directors of Stora Enso Oyj. The Board of Directors of Stora Enso Oyj has proposed that an extraordinary general meeting scheduled to take place on 15 December 2026 approves the Demerger Plan and resolves on the Demerger in accordance with the Demerger Plan. The Demerger is expected to be effective at 31 March 2027 ('Demerger Effective Date'). Through the Demerger, shareholders of Stora Enso Oyj will receive one share in Bergslagets Skogar AB for each share held in Stora Enso Oyj. Bergslagets Skogar AB will be headquartered in Falun, Sweden. The shares of Bergslagets Skogar AB are expected to be listed in Sweden at Nasdaq Stockholm and Finland at Nasdaq Helsinki within short after the Demerger Effective Date. Bergslagets Skogar AB is, at listing, expected to be Europe's largest listed pure-play forest owner[1].

The reporting entity, the combined Bergslagets Skogar entities ('Bergslagets Skogar'), which these unaudited combined financial statements ('Combined Financial Statements' or 'Financial Statements') present, comprise the Swedish forest asset business controlled by Stora Enso Oyj Group ('Stora Enso Group', or 'Stora Enso') at the reporting date and represent the operations and assets that are intended to be transferred through the Demerger. Accordingly, the reporting entity does not correspond to the historical composition of Stora Enso's Forest business segment.

The Financial Statements have been prepared to present Bergslagets Skogar's historical financial information for the financial years 2024 and 2025. The Financial Statements are presented in Swedish krona ('SEK').

These Financial Statements have been prepared in connection with the proposed Demerger and for inclusion in the information brochure to be made available to Stora Enso Oyj's shareholders in connection with their consideration of the proposed Demerger at the extraordinary general meeting, and was authorized for issue by the Board of Directors of Stora Enso Oyj on 19 November 2026. These Financial Statements cannot be amended after issuance.

All figures in these Financial Statements have been rounded to the nearest million, unless otherwise stated. Therefore, figures in these Financial Statements may not add up precisely to the totals presented.

The following section describes the comprehensive basis of preparation which has been applied in preparing these Financial Statements. Accounting principles for specific accounting areas and individual line items are described in the related notes.

Basis of preparation

The Financial Statements have been prepared in accordance with IFRS® Accounting Standards as adopted by the European Union (EU) and effective as at 30 September 2026.

IFRS Accounting Standards does not specifically address the preparation of combined financial statements. The term 'combined financial statements' refers to financial information prepared by aggregating financial information for entities under common control that do not meet the definition of a group according to IFRS 10 (Consolidated Financial Statements). The Financial Statements are intended to present Bergslagets Skogar's historical financial information. One important requirement for the preparation of these Financial Statements is that all entities are under common control via Stora Enso Oyj ownership.

The Swedish forest asset business included in these Financial Statements have historically been conducted through a combination of separate legal entities (see Note 25 – Combined entities for more information) and shared legal entities. As part of the legal and operational separation undertaken in preparation for the Demerger, the Swedish forest operations previously held within shared legal entities were transferred to separate legal entities during 2025 and 2026. In addition, certain forest-related assets currently held by Stora Enso Oyj will be transferred to Bergslagets Skogar AB upon the effectiveness of the Demerger in 2027. Accordingly, these Financial Statements have been prepared to reflect the operations, assets and liabilities that are expected to form part of Bergslagets Skogar following the Demerger, rather than the historical composition of Stora Enso's Forest business segment.

Stora Enso divested certain Swedish forest assets in September 2025, and these operations have been excluded from these Financial Statements.

Certain operations included in the Bergslagets Skogar perimeter, principally the nursery business and certain central functions, were historically conducted within shared legal entities. As part of the legal reorganization undertaken in preparation for the Demerger, these activities were transferred in December 2025 through an asset transfer to Bergslaget Förvaltnings AB. Bergslaget Förvaltnings AB consummated the legal acquisition through a payment of the purchase consideration of SEK 246 million for these assets which is shown as a cash outflow and a transaction with Remaining Stora Enso Group in equity.

In addition, employees engaged in production of Falu Rödfärg[2] and a loan payable to Stora Enso Oyj of SEK 6,000 million, including accrued interest, were transferred in September 2026 through a demerger from Stora Enso AB, an entity that remains under the control of the Stora Enso Group, to Bergslaget Holding AB. As these activities, assets and liabilities were already included within the Bergslagets Skogar perimeter, the transfers represented legal ownership changes only and did not affect the basis on which these Combined Financial Statements have been prepared. Accordingly, the assets, liabilities, income, expenses and cash flows relating to these operations have been included in these Combined Financial Statements for all periods presented.

Certain Swedish forest assets divested by Stora Enso in September 2025 have been excluded from these Financial Statements, including the related assets, liabilities, income, expenses and cash flows. Prior to the divestment, these assets were transferred from Stora Enso Skog och Mark AB to a separate legal entity through a demerger effective 1 April 2025. The assets, liabilities, income, expenses and cash flows from the divested forest assets have from 1 January 2024 until 31 March 2025 been excluded from Stora Enso Skog och Mark AB's historical financial information based on management's best estimate. See Note 2 – Critical accounting estimates and judgments for further information on critical judgments and estimates relating to the reporting entity.

The formation of Bergslagets Skogar involved the reorganization of entities under common control. As neither common control transactions nor combined financial statements are

1) According to the Market Study, Bergslagets Skogar is expected to be the largest listed pure-play forest company in Europe (in terms of areals (hectares) and excluding integrated companies also handling wood processing).
2) See section Segment information below in this note for further information on Falu Rödfärg.

specifically addressed by IFRS Accounting Standard, management has applied IAS 8 (Basis of Preparation of Financial Statements), in developing an accounting policy that provides relevant and reliable information. Management conclude that combining the entities and operations that comprise the Bergslagets Skogar demerger perimeter is the most appropriate approach under these circumstances.

As Bergslagets Skogar has not previously prepared consolidated nor combined financial statements, these Financial Statements are the first IFRS Financial Statements of Bergslagets Skogar in which IFRS 1 (First-Time Adoption of International Financial Reporting Standards) has been applied. IFRS 1 sets out the procedures that an entity must follow when it adopts IFRSs for the first time with 1 January 2024, as date of transition to IFRS. Bergslagets Skogar became an IFRS first-time adopter after Stora Enso Oyj and therefore have had the option to apply some first-time adoption exemptions.

Accounting policy elections made by Bergslagets Skogar are materially identical with those made by Stora Enso Group with the exception for (i) accounting for silviculture expenditures and (ii) application of IFRS 18 (Presentation and Disclosure in Financial Statements). Bergslagets Skogar has, to partly align its policies with Swedish listed peers to improve comparability, elected another policy related to silviculture expenditures related to reforestation. Bergslagets Skogar is, unlike Stora Enso, recognizing expenditures for reforestation as an investment in forest assets. Further Bergslagets Skogar has voluntarily elected to apply IFRS 18 even though it is only mandatory for financial periods beginning on or after 1 January 2027, to avoid implementation and implementation costs of new accounting policies immediately after listing. In addition, Bergslagets Skogar has voluntarily elected to apply two amendments to IFRS 9 (Financial Instruments) and IFRS 7 (Financial Instruments: Disclosures) (i) the Classification and Measurement of Financial Instruments and (ii) Contracts Referencing Nature dependent Electricity, as none of those amendments have any impact on Bergslagets Skogar's Financial Statements and are mandatory from 1 January 2026.

The formation of Bergslagets Skogar included both legal entities and specified operations, assets and liabilities transferred from shared legal entities. Accordingly, the following considerations were applied in the preparation of these Financial Statements.

The Financial Statements as at and for the years ended 31 December 2025 and 31 December 2024 have been prepared based on historical book values for income and expenses, assets and liabilities and cash flows attributable to the Bergslagets Skogar business in Bergslagets Skogar legal entities, profit centres and portions of legal entities attributable to Bergslagets Skogar in Stora Enso's consolidated financial statements. Therefore assets, liabilities, income, revenue, expenses and cash flows which are either directly attributable to, allocated to, or which will transfer to Bergslagets Skogar have been included in the Financial Statements.

The accounting policies set out below have been applied consistently to all periods presented and for all entities included in the Financial Statements.

The application of these combined financial statement accounting policies has been described in this note. In addition to the application of the specific combined financial statement accounting policies impacting the presentation of these Financial Statements, the areas involving a high degree of management judgment or estimates and assumptions are discussed in Note 2 - Critical accounting estimates and judgments.

Bergslagets Skogar has not formed a separate legal group of entities during the years presented. Thus, the Combined Financial Statements may not be indicative of Bergslagets Skogar's future performance and do not necessarily reflect what its income statement, financial position and cash flows would have been, had Bergslagets Skogar operated as a standalone consolidated group and had it therefore presented standalone consolidated financial information during the periods presented.

Allocation of revenues and costs

The basis for allocating revenues and costs to Bergslagets Skogar has primarily been Stora Enso Group's internal operating reporting, which is based on statutory accounting adjusted for IFRS Accounting Standards. Legal entities included in the Financial Statements have purchased services from other legal entities within the Stora Enso Group.

In the statutory accounts, certain expenses incurred by Stora Enso Group have been charged to its subsidiaries based on an internal cost allocation model whereby certain direct central services such as forestry management, IT and HR function costs, have been charged to each legal entity.

The internal cost allocation model also includes management fees which represent Bergslagets Skogar's purchases of indirect central services from Stora Enso Group. The cost for central, direct and indirect, services are based on actual costs incurred by Stora Enso Group with a mark-up and is mainly presented under the headings Materials and services and Other operating expenses in the Income Statement. The internal cost allocation model also covers certain direct locally purchased services that are recharged without margin, e.g. personnel in the nurseries and Falu Rödfärg. Costs for personnel in the nurseries and Falu Rödfärg are presented in the Income Statement as personnel expenses. As a result, related costs for the forest operation forming Bergslagets Skogar have been included in the Financial Statements. Previously unallocated central costs in Stora Enso Group, which mainly are costs related to Stora Enso Group's management activities, have not been allocated to Bergslagets Skogar.

Management considers these allocations to be a reasonable reflection of the utilization of services provided. Historically, Bergslagets Skogar has benefited from a range of headquarters, administrative and support services provided by Stora Enso, including group strategy, treasury and financing activities, accounting and financial reporting support, tax, legal, human resources, communication and information technology services. The allocated expenses reflected in these Financial Statements are based on the arrangements that existed within Stora Enso and may not be indicative of the costs that Bergslagets Skogar would have incurred had it operated as a standalone entity, nor of the cost structure that may prevail in the future.

Financial expenses and capital structure

Cash management has historically been centralized in Stora Enso and Stora Enso has managed Stora Enso's liquidity needs through cash pool arrangements and intercompany loans.

Bergslagets Skogar's cash and cash equivalents comprise of cash held in Bergslagets Skogar's legal entities.

Cash and cash equivalents, cash pool arrangements and intercompany financing balances relating to legal entities that include both Bergslagets Skogar and businesses that will remain within the Stora Enso Group have not been included in these Financial Statements, as Bergslagets Skogar's share of such balances cannot be reliably determined. An exception has been made for an intercompany loan payable to Stora Enso Oyj of SEK 6,000 million, including accrued interest, which is included in these Financial Statements.

The internal loan payable, including accrued interest, interest expenses and interest payments has been recognized in all periods in the Financial Statements based on its contractual terms and historically recorded amounts.

In addition, for the Bergslagets Skogar legal entities, the Financial Statements include cash pool receivable balances due from Stora Enso Group's remaining business ('Remaining Stora Enso Group' or 'Remaining Stora Enso'). These cash pool

receivables have been presented as 'current interest-bearing receivables, related party'. Ahead of the Demerger, Bergslagets Skogar will make its own cash pool arrangements whereby any remaining cash pool receivables are effectively converted to receivables from Stora Enso Oyj or settled in cash.

Bergslagets Skogar's legal entities' working capital and capital expenditure have mainly been funded by, in addition to existing cash pool surpluses, intercompany loans. All Bergslagets Skogar's legal entities intercompany borrowing from Remaining Stora Enso have been presented as transactions with related parties in the Financial Statements.

Interest income and expenses from related parties have been determined based on the interest charges recorded directly by Bergslagets Skogar's legal entities.

At the Demerger Effective Date, the existing intercompany loan payable of SEK 6,000 million recognized in these Financial Statements will be settled through the transfer to Bergslagets Skogar AB of the corresponding intercompany loan receivable currently held by Stora Enso Oyj. As part of the Demerger, Bergslagets Skogar AB will assume a new loan payable to Stora Enso Oyj of approximately SEK 9.48 billion. This loan is intended to provide the level of required funding for Bergslagets Skogar following the Demerger and is expected to be refinanced through external financing after the Demerger Effective Date. These transactions have not been reflected in these Financial Statements. See Note 28 – Events after the reporting period.

No portion of Stora Enso Oyj's cash and cash equivalents has been allocated to Bergslagets Skogar. Payments made by Stora Enso Oyj on behalf of Bergslagets Skogar are presented through equity transactions with Stora Enso. In connection with the Demerger, a certain amount of Stora Enso Oyj's cash will be transferred to Bergslagets Skogar AB in accordance with the Demerger Plan.

The financing presented in the Financial Statements may differ materially from the future financing requirements of Bergslagets Skogar on a standalone basis.

Income tax

Bergslagets Skogar's income tax expense/benefit includes taxes of Bergslagets Skogar's legal entities and shared entities included in the Financial Statements based on taxable profit/loss for the period, together with tax adjustments for previous periods and the change in deferred taxes. Tax assets and liabilities reflect uncertainty related to income taxes, if any.

Deferred taxes are provided using the liability method, as measured with enacted, or substantially enacted, tax rates, to reflect the net tax effects of all temporary differences between the tax bases and the accounting bases of assets and liabilities. Deferred tax is recognized on transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. Deductible temporary differences reduce income taxes payable on taxable income in future years. The deferred tax assets, whether arising from temporary deductible differences or from tax losses, are recognized only to the extent that it is probable that future taxable profits will be available against which the assets can be utilized.

Group contributions received from or granted to Stora Enso legal entities are recognized as transactions with owners in equity net of tax.

Earnings per share (EPS)

The Financial Statements have been prepared on a carve-out basis, and earnings per share cannot be determined for the periods presented because Bergslagets Skogar had no share capital. Accordingly, earnings per share has not been presented.

Transactions with Stora Enso as the related parties

Group contributions, shareholder's contributions and other transactions between Remaining Stora Enso Group and Bergslagets Skogar have been recognized as Equity transactions with Stora Enso Group in these Financial Statements. Inter-company transactions and balances with companies within the Remaining Stora Enso Group in the ordinary course of business have been disclosed as transactions and balances with related parties. See Note 26 – Related party transactions.

Combination policies

The Financial Statements are prepared in accordance with Bergslagets Skogar's accounting policies and include the Swedish forest asset business controlled by Stora Enso Oyj as per the end of the reporting date. Control is defined as when Bergslagets Skogar:

- has power over the investee,
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

If facts and circumstances indicate that there are changes to the three elements of control listed above Bergslagets Skogar reassess whether or not it controls an investee. Entities included in Bergslagets Skogar's combined Financial Statements are listed in Note 25 – Combined entities.

All intercompany transactions between entities within Bergslagets Skogar, receivables, liabilities and unrealized profits, as well as intragroup profit distributions, are eliminated.

Foreign currency transactions

Transactions in foreign currencies are recorded at the rate of exchange prevailing at the transaction date, but at the end of each reporting period foreign currency-denominated receivables and liabilities are translated using the reporting period-end exchange rate. Foreign exchange differences for operating items are presented in the appropriate Income Statement line in the operating profit, and, for investing and financing items, they are presented in Investing items and Financing items in the Income Statement.

Foreign currency translations

The Income Statements and Statement of Cash Flows of Bergslagets Skogar entities with functional currencies other than SEK are translated into Bergslagets Skogar's presentation currency, SEK, using the average exchange rates of the year, whereas the Statement of Financial Position of these companies are translated using the exchange rates at the reporting date. Bergslagets Skogar is exposed to currency risks arising from exchange rate fluctuations on the value of its net investment in non-SEK foreign operations. Exchange differences arising from the retranslation of net investments in foreign operations that are non-SEK foreign operations are recorded through other comprehensive income as currency translation differences.

Revenue recognition

Sales comprise products, raw materials and services less indirect sales tax and discounts. Sales are recognized after Bergslagets Skogar has transferred the control of goods and services to a customer and Bergslagets Skogar retains neither a continuing right to dispose of the goods, nor effective control of those goods; usually, this means that sales are recorded upon the delivery of goods to customers in accordance with the agreed terms of delivery.

Bergslagets Skogar sells wood mainly under delivery stumpage purchase contracts. In short, such contracts mean that the purchaser acquires the right to logging standing trees, revenue is then recognized at the time of logging. From time to time Bergslagets Skogar also sells wood under delivery wood contracts where Bergslagets Skogar is taking responsibility for logging and transporting the wood to an agreed place, such as a sawmill, pulp mill or a measurement station and revenue is then recognized at the time of delivery in accordance with the contract. Consequently, Bergslagets Skogar's performance obligations are different under delivery stumpage purchase contracts than under wood delivery contracts and the transaction price is therefore different which is reflected in revenues recognized. The pricing is based on agreed price lists, timber assortment, area, quality classifications and certifications, and harvested volumes, with a deduction of the buyers' harvesting costs if sold under delivery stumpage purchase contracts. Revenues from services are recognized over time as the service has been performed. More detailed information regarding Bergslagets Skogar's principal activities and disaggregation of revenue is presented in Note 3 – Segment information.

Materials and services

Materials and services comprise the costs for specialized forestry services purchased to support the forestry operations, as well as the cost of raw materials and consumables used in the production processes of the Falu Rödfärg and seedlings. Materials are recognized at cost and expensed as consumed in the production processes. The carrying amount of timber inventory is recognized as an expense when the related inventory is sold and services are expensed as incurred.

Post-employment benefit obligations

Bergslagets Skogar operates several defined benefit and defined contribution plans. Its defined benefit plans are, with some exceptions, insured by Alecta. No later than at the Demerger Effective Date, all defined benefit plans should in full be insured by Alecta. Sufficient information to use defined-benefit accounting for this plan is not available and therefore recognized as a defined-contribution plan.

Depreciation, amortization and impairments

Depreciation or amortization of an asset begins when it is available for use in the location and condition necessary for it to be operated in the manner intended by management. Depreciation or amortization ceases when the asset is derecognized or classified as held for sale. Depreciation or amortization does not cease when the asset becomes idle. Assets are depreciated and amortized on a straight-line basis during their useful lives. Useful lives are reviewed annually. If an asset is disposed and the asset's book value is higher than the disposal proceeds, the difference is recognized as other operating expense in the period the asset is disposed.

The carrying amounts of software, property, plant and equipment and right-of-use assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated as the higher of the fair value less costs of disposal and the value in use (discounted cash flow method), with an impairment being recognized whenever the carrying amount exceeds the recoverable amount.

A previously recognized impairment is reversed if there has been a change in the estimates used to determine the recoverable amount, however, not to an extent higher than the carrying amount that would have existed had no impairment been recognized in prior years.

Interest income and expense

Interest income and interest expense are recognized based on the effective interest rate method.

Software, property, plant and equipment

Software

Software assets are stated at their historical cost and amortized on a straight-line basis over their expected useful lives, which usually varies from three to ten years. An adjustment is made for any impairment. Software items acquired must be recognized as assets separately from goodwill if they meet the definition of an asset, are either separable or arise from contractual or other legal rights, and their fair value can be measured reliably.

The cost of development or acquisition of new software clearly associated with an identifiable asset that will be controlled by Bergslagets Skogar and has a probable benefit exceeding its cost beyond one year is recognized as a Software asset and will be amortized over the expected useful life of the software between three to ten years.

Property, plant and equipment

Property, plant and equipment consist of *Land and water, Buildings and Structures* (including office and residential buildings, as well as completed forest roads), *Plant and Equipment* (including heavy machinery, vehicles and office equipment), and *Assets in progress* (including assets, e.g. forest roads or machinery, under construction).

Property, plant and equipment acquired by Bergslagets Skogar's combined entities are stated at their historical cost. Depreciation is computed on a straight-line basis and adjusted for any impairment and disposal charges. The carrying amount represents the cost deducted by received grants and subsidies and less the accumulated depreciation and any impairment charges. Assets are considered to be ready when they are capable of operating in the manner intended by management, which indicates that certain pre-determined physical and technical conditions are met. In assessing readiness, factors such as production quality and stability, achievement of certain technical milestones, and fulfilment of regulatory requirements may be considered.

Land and water areas are not depreciated, as these are deemed to have an indefinite life, but otherwise depreciation is based on the following expected useful lives:

Asset class	Depreciation years
Buildings, office & residential	20–50
Heavy machinery	10–20
Vehicles	5
Office equipment	3–5
Forest roads	10–15

Ordinary maintenance and repair charges are expensed when incurred, but the costs of significant renewals and improvements are capitalized and depreciated over the remaining useful lives of the related assets. Retirements, sales and disposals of property, plant and equipment are recorded by deducting the cost and accumulated depreciation from the accounting records with any resulting negative difference as other operating expense in the Income Statement. Capital gains are shown in other operating income.

Spare parts are accounted for as property, plant and equipment if they are major and used over more than one period, or if they are used only in connection with an item of property, plant and equipment. In all other cases, spare parts are carried as part of the inventory and expensed when consumed.

Forest assets

Forest assets are defined as standing growing trees, classified as biological assets, and related forest land. Biological assets consist of standing trees to be sold for use as raw material for pulp and mechanical wood production and as biofuels.

Biological assets and forest land are initially recognized at cost. When investment in forest assets occur, such investment is allocated between biological assets and forest land based on fair value. Cost for forest land include an amount equal to the provision for land preparation and reforestation recognized at harvesting. When land preparation and reforestation occur, such cost for forest land related land preparation and reforestation provision is reclassified to biological assets.

Biological assets are thereafter valued in accordance with IAS 41 (Agriculture) at fair value, while forest land is recognized at fair value using the revaluation model in IAS 16 (Property, plant and equipment). The management of the forest asset is based on continuous operations and sustainable forest management, while also taking into account environmental restrictions and other reservations.

Biological assets are generally harvested by the customer, however if harvested by Bergslagets Skogar, biological assets are transferred to inventory.

Forest assets are recognized at fair value and valued using a market approach method based on forest property transactions in the areas where the forest assets are located. The forest lands offer additional opportunities for future value streams, such as wind power.

The total forest assets value is calculated with verified inventory data and regional standing stock prices, considering, among others:

- regional standing stock prices by forest cubic meter (m^3fo) from market transaction data based on the geographical locations of forest assets, and
- regional standing stock inventory.

Information relating to forest asset transactions is available from market data suppliers, such as Ludvig & Co and Areal. Bergslagets Skogar applies three-year (36-month) standing stock weighted average market transaction prices, which are considered to include a sufficient number of transactions and are estimated to represent market conditions at the reporting date. The market transaction information is viewed as market-corroborated inputs. Certain adjustments are made to refine the market-corroborated inputs using unobservable inputs; therefore, inputs are categorized based on Level 3 of the fair value hierarchy.

The total value of the forest assets is allocated across biological assets and forest land. The allocation of the combined fair value of forest assets is based on the income approach where the present values of expected net cash flows for both biological assets and forest land are calculated separately. The discount rate is determined as the rate at which the valuation, based on market transaction prices, matches the combined cash flows of total forest assets for biological assets and forest land. The discount rate is assumed to be the same for biological assets and forest land as the nature of the cash flows are similar.

Biological assets are measured at fair value in accordance with IAS 41. The fair value is based on the income approach and the discounted cash flow method, whereby the fair value of the biological assets is calculated using cash flows from continuous operations, taking into account the growth potential of one cycle. Forest land is measured at fair value using the revaluation method, as defined in IAS 16. The fair value of forest land is measured based on the income approach, including net cash flows related to trees to-be-planted in the future as well as other land related income, such as wind power leases, hunting rights and soil material sales.

Changes in the fair value of biological assets are recognized in the Income Statement. Changes in the fair value of forest land, net of deferred taxes, are recognized in other comprehensive income and accumulated in a revaluation reserve in equity. The revaluation reserve is not recycled to the Income Statement upon disposal. If the fair value of forest land were to be less than cost, the difference would be recognized in the Income Statement.

Joint ventures

Legal entities over which Bergslagets Skogar have joint control together with one or several other parties, joint ventures, are accounted for using the equity method. Bergslagets Skogar's share of the joint ventures profit or loss is recognized in the Income Statement. Bergslagets Skogar's interest in a joint venture is carried in the Statement of Financial Position at an amount that reflects its share of the net assets of the joint ventures together with goodwill. Goodwill arising from the acquisition of a joint venture is included in the carrying amount of the investment and is assessed for impairment as part of that investment.

Bergslagets Skogar's share of results in joint ventures is reported in Investing items in the Income Statement. Similarly, dividends received from joint ventures are presented in cash flow from investing activities in the Statement of Cash Flows.

Equity instruments

Equity investments in unlisted securities are recognized at fair value through profit or loss. Realized and unrealized fair value gains and losses are presented as investing activities.

Inventories

Inventories are reported at lower of cost and net realizable value with the cost determined by the first-in first-out (FIFO) method or, alternatively, by the weighted average cost where it approximates FIFO. The same cost formula is used for all inventories having a similar nature and use to Bergslagets Skogar. The cost of timber is measured at its fair value less cost to sell at the point of harvesting. The cost of finished goods and work in progress comprises raw material, direct labor, depreciation, other direct costs and related production overheads, but excludes interest expenses. Subsequent to harvest, timber inventories are valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and applicable selling expenses. Where market conditions result in the manufacturing costs of a product exceeding its net realizable value, the product is recognized at net realizable value.

Trade receivables

Trade receivables are recognized initially at fair value and subsequently at their anticipated realizable value with an estimate made for loss allowance on expected credit losses based on a forward-looking and objective review of all outstanding amounts at period end. A simplified approach under IFRS 9 has been implemented for trade receivables and loss allowances are recognized based on expected lifetime credit losses in the Income Statement within other operating expenses. Trade receivables will be written off and booked as a credit loss only with the court's decision of bankruptcy or in some other cases when there is objective evidence supporting the write-off.

Provisions

Provisions are recognized when Bergslagets Skogar has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are measured at the management's best estimate and there is some uncertainty regarding the timing and amount of the costs. Provisions for obligations to dismantle, remove or restore assets after their use are added to the carrying amount of the assets at acquisition date and depreciated over the useful life of the asset. Provisions are discounted to their current net present value if the effect of the time value of money is material.

Environmental provisions

Environmental expenditures resulting from the remediation of an existing condition caused by past operations, and which do not contribute to current or future revenues, are recognized as provisions. Environmental provisions are recorded when it is probable, based on current interpretations of environmental laws and regulations, that a present obligation has arisen and the amount of such liability can be reliably estimated.

Reforestation provisions

Reforestation provisions are recognized for legal obligations, such as land preparation and reforestation required by law or regulation. Provisions for land preparation and reforestation are recognized at harvesting.

Restructuring and other provisions

A restructuring provision is recognized in the period in which Bergslagets Skogar becomes legally or constructively committed to the plan. The relevant costs are those that are incremental to, or incurred as a direct result of, the exit plan, or are the result of a continuing contractual obligation with no ongoing economic benefit, or represent a penalty incurred to cancel the obligation.

Other provisions are recognized for different legal or constructive obligations, such as, onerous contracts, ongoing lawsuits, claims, or similar.

Fair values

Financial assets

Bergslagets Skogar classifies its financial assets into two categories, i) at amortized cost and ii) at fair value through profit or loss. The classification is made according to the IFRS 9 standard and management determines the classification of investments at the time of initial recognition.

Investments in debt instruments are classified based on the business model and the nature of their cash flows. If the goal is to hold the instruments to collect contractual cash flows – consisting solely of principal and interest – they are measured at amortized cost and reported under current or non-current assets.

Investments that are not measured at amortized cost are classified as fair value through profit or loss and are therefore fair valued through the Income Statement and presented under current or non-current assets in the Statement of Financial Position.

Bergslagets Skogar's investments into equity instruments, such as unlisted securities, are classified as fair value through profit or loss.

Financial liabilities

Bergslagets Skogar's financial liabilities are classified into amortized cost category.

Fair value of financial instruments

The unlisted securities are measured at fair value. The fair values are based on recent transactions, such as purchases of shares and new share issues between independent parties, adjusted for profit or loss incurred after the latest transaction.

The fair values of financial liabilities for disclosure purposes are estimated by discounting the future contractual cash flows at the current market interest rates available to Bergslagets Skogar for similar financial instruments.

Purchases and sales of financial instruments are recognized based on trade date, which is the date on which Bergslagets Skogar commits to purchasing or selling the financial instrument. Financial instruments are derecognized when the rights to receive or the cash flows from the financial instruments have expired or have been transferred and Bergslagets Skogar has substantially transferred all risks, rewards and obligations of the ownership of the financial asset or liability.

Fair value hierarchy

Bergslagets Skogar uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques, for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;
- Level 3: techniques which use inputs which have a significant effect on the recorded fair values that are not based on observable market data.

Bergslagets Skogar evaluates the categorization of its fair value measurements within the fair value hierarchy on a regular basis at the end of the reporting period. Bergslagets Skogar's all financial instruments are categorized in Level 3. See Note 16 – Unlisted securities for more information on Level 3 fair value measurement of unlisted securities.

Interest-bearing receivables

Interest-bearing receivables are mainly cash pool balances where Stora Enso Oyj is counterpart. The cash pool receivables are measured at amortized cost. Since the cash pool balance is short term and Stora Enso Oyj is investment grade (e.g. A-3 or BBB-) the counterparty risk is de minimis and no loss allowance for expected credit is recognized. Interest income on loan receivables is included in Investing items. Loan receivables with a maturity less than 12 months are included in current assets under interest-bearing receivables, and those with maturities greater than 12 months, in non-current interest-bearing receivables.

Interest-bearing liabilities

Interest-bearing liabilities consist of related party liabilities, and are recognized initially at fair value, net of transaction costs incurred. In subsequent periods, interest-bearing liabilities are measured at amortized cost using the effective interest method. Any difference between the proceeds net of transaction costs and redemption value is recognized in the Income Statement over the maturity period of the borrowings. Interest expenses are accrued for and recorded in the Income Statement for each period.

Interest-bearing liabilities with an original maturity greater than 12 months are classified as non-current interest-bearing liabilities in the Statement of Financial Position, though repayments falling due within 12 months are presented in current liabilities under the current portion of non-current debt. Interest-bearing liabilities, for which the original maturity is less than 12 months, are presented in current liabilities.

Segment information

Operating segments are provided on a voluntary basis and reflect Bergslagets Skogar's management structure and the way financial information will be regularly reviewed on a standalone basis after the separation.

Operating segments are reported in a manner consistent with the future internal reporting that will be provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the CEO of Bergslagets Skogar, who makes strategic decisions. There are three operating segments, Forest, Renewable Energy and Falu Rödfärg. The Falu Rödfärg segment includes the paint production business, comprising traditional Swedish red wood paint produced from pigment originating at the Falun copper mine. Revenues, profit and assets in Renewable Energy and Falu Rödfärg respectively are less than 10 percent of the total and Bergslagets Skogar has elected to not present these as separate reportable segments but together with other business activities under the heading "Other".

Note 2 Critical accounting estimates and judgments

The preparation of Financial Statements in accordance with IFRS Accounting Standards requires management to make estimates, judgments and assumptions that affect the reported assets and liabilities, as well as the disclosure of contingent assets and liabilities at the reporting date and the reported income and expenses during the period. These estimates, judgments and assumptions might have a material impact on the amounts recognized in the Financial Statements. The estimates are based on historical experience and various other assumptions that are believed to be reasonable and reflect management's best estimates, though actual result and timing could differ from these. The estimates, judgments and assumptions are reviewed regularly and updated if there are changes in circumstances or as a result of new information. The accounting items presented below represent those matters which include the most estimation uncertainty and exercise of judgment.

Critical judgment

Reporting entity

The Swedish forest operations included in these Financial Statements have historically been conducted through a combination of separate legal entities (see Note 25 – Combined entities) and shared legal entities. As part of the legal and operational separation undertaken in preparation for the Demerger, operations, assets and liabilities that are expected to form part of Bergslagets Skogar have been, or will be, transferred to dedicated legal entities. Swedish forest operations previously held within shared legal entities were transferred to separate legal entities during 2025 and 2026, and certain forest-related assets currently held by Stora Enso Oyj will be transferred to Bergslagets Skogar AB upon the effectiveness of the Demerger in 2027.

In defining the boundary of the reporting entity, management has applied the undertaking of the issuer concept. Accordingly, these Financial Statements have been prepared to reflect the operations, assets and liabilities that are expected to form part of Bergslagets Skogar following the Demerger, rather than the historical composition of Stora Enso's Forest business segment.

In October 2024, Stora Enso announced that it was considering the divestment of approximately 175 thousand hectares of Swedish forest assets. A sale and purchase agreement relating to those assets was signed in May 2025 and the transaction was completed in September 2025. As those forest assets were not expected to form part of Bergslagets Skogar following the Demerger, management concluded that they fell outside the boundary of the reporting entity and, accordingly, the related assets, liabilities, income, expenses and cash flows have been excluded from these Financial Statements for all periods presented.

Critical estimates

Forest assets

The fair value of forest assets is determined using a market approach, based on forest market transactions in the areas where Bergslagets Skogar's forests are located. Market prices between areas vary significantly and judgment is applied to define relevant areas for market transactions used in valuation. The valuation of the forest assets is based on detailed transaction data and price statistics provided by independent market data suppliers. Judgment is applied when adjustments are made to reflect the specific characteristics and nature of Bergslagets Skogar's forest assets and to exclude certain non-forest assets (e.g. forest properties with houses included) and outlier transactions (e.g. property transactions where the prices is not relevant, for example small properties can be sold at a high price if it will help the buyer to have one big plot of land rather the two separate plots. Bergslagets Skogar applies three-year (36 months) standing stock weighted average market transaction prices, which are considered to include a sufficient number of transactions and are estimated to represent market conditions at the reporting date.

Biological assets and forest land

The value of the forest assets is allocated to biological assets and forest land. The allocation of the combined fair value of forest assets is based on the income approach where the present values of expected net cash flows for both biological assets and forest land are calculated separately. These future cash flows require management to estimate future harvesting volumes, growth rates, future wood price levels, trends for sales, future land related income such as wind power leases, hunting rights and soil material sale and future costs. The company conducts regular forest inventories of its land to establish the current forest condition, including volumes current growth rate, to make predictions of wood available for harvesting. Information relating to current and future wood price levels is available from market data suppliers such as AFRY.

See Note 15 – Forest assets for more information regarding critical estimates.

Note 3 Segment information

Forest
The Forest segment manages forest assets as well as the nursery business providing seed and seedlings externally and internally.

Other
Other include Falu Rödfärg, development of renewable energy sites and Bergslagets Skogar's group overheads.

Operating segments 2025

SEK million	Note	Forest	Other	Group
Related party sales	26	1,740	–	1,740
External sales		66	104	170
Sales		**1,807**	**104**	**1,910**
Wood delivery stumpage sales		1,700	–	1,700
Seed and seedlings sales		107	–	107
Falu Rödfärg		–	104	104
Sales		**1,807**	**104**	**1,910**
Sales		1,807	104	1,910
Other operating income		83	18	101
Materials and services		–248	–45	–293
Personnel expenses		–61	–18	–79
Other operating expenses	27	–190	–25	–214
Depreciation, amortization and impairment charges		–46	–2	–48
Adjusted operating profit		**1,346**	**32**	**1,378**
Add back: Change in net value of biological assets		3,945	–	3,945
Add back: Profits and losses on sale of fixed assets and investments		4	40	43
Add back: Items affecting comparability	27	–	5	5
Operating profit		**5,295**	**76**	**5,371**
Investing items				18
Financing items				–147
Profit before tax				**5,241**
Capital expenditure of software and property, plant and equipment		27	37	64
Investment in reforestation	15	286	–	286
Total capital expenditures		**313**	**37**	**350**
Adjusted operating profit margin (%)		71%	20%	67%

Operating segments 2024

SEK million	Note	Forest	Other	Group
Related party sales	26	1,578	–	1,578
External sales		72	84	156
Sales		**1,650**	**84**	**1,734**
Wood delivery stumpage sales		1,536	–	1,536
Seed and seedlings sales		114	–	114
Falu Rödfärg		–	84	84
Sales		**1,650**	**84**	**1,734**
Sales		1,650	84	1,734
Other operating income		107	16	123
Materials and services		–246	– 40	–286
Personnel expenses	27	–47	–16	–62
Other operating expenses	27	–192	–26	–218
Depreciation, amortization and impairment charges		–43	–2	–46
Adjusted operating profit		**1,230**	**16**	**1,246**
Add back: Change in net value of biological assets		4,483	–	4,483
Add back: Profits and losses on sale of fixed assets and investments		41	–	41
Add back: Items affecting comparability	27	24	–47	–23
Operating profit		**5,779**	**–31**	**5,747**
Investing items				24
Financing items				–144
Profit before tax				**5,628**
Capital expenditure of software and property, plant and equipment		48	32	80
Investment in reforestation	15	219	-	219
Total capital expenditures		**267**	**32**	**299**
Adjusted operating profit margin (%)		68%	16%	66%

Adjusted operating profit margin is calculated as operating profit adjusted for items affecting comparability, profits and losses on sale of fixed assets and investments and changes in net value of biological assets divided by the sum of sales and other operating income.

Bergslagets Skogar has one customer, Remaining Stora Enso, which represents 91% of the sales in both 2024 and 2025, see Note 26 – Related party transactions.

Sales by destination

SEK million	2025	2024
Sweden	1,894	1,726
Other countries	16	8
Sales	**1,910**	**1,734**

See Note 27 – Management Performance Measures for definitions of management performance measures, including Adjusted operating profit and Items affecting comparability.

Note 4 Other operating income

SEK million	2025	2024
Other operating income		
Rental income land & water	60	60
Gains on disposal of fixed assets	4	47
Gains on disposal of group companies and business operations	40	–
Provision changes in income statement	5	27
Forestry operations	36	31
Total	**145**	**165**

Forestry operations include fees related to e.g. gravel, clearing, stump removals, as well as other charges such as road tolls and VAT adjustments for road cooperatives.

Note 5 Materials and services

SEK million	2025	2024
Materials and supplies	190	186
Change in inventories	–14	–1
Freight costs	7	7
Forestry expenses	98	81
Other production related costs	12	12
Total	**293**	**286**

Materials and supplies include costs for materials and supplies used in the forestry operations, such as plant coating, packaging and silviculture material costs. Forestry expenses include costs for purchased services related to the forestry operations.

Note 6 Personnel expenses

SEK million	2025	2024
Wages and salaries	50	42
Pensions	6	4
Other statutory employer costs	19	16
Other voluntary costs	4	3
Total	**79**	**65**

Pension costs are discussed further in Note 8 – Post employee benefit obligations.

During the period January 2024 until November 2025 Bergslagets Skogar has had some 100 personnel in the nurseries and Falu Rödfärg. In addition, Bergslagets Skogar purchased services, including management services, from Stora Enso to operate its other business' corresponding to some 200 full-time equivalents. On 1 December 2025 the number of employees increased from approximately 100 to 300 when personnel previously employed by Stora Enso were transferred to Bergslagets Skogar.

The table above includes personnel expenses for employees but not expenses for purchased services which are presented as materials and services in Note 5. Due to the transfer of employees on 1 December 2025 personnel expenses are higher, and materials and services are lower after this date. See Note 26 – Related party transactions where purchased services are disclosed as materials and services.

Note 7 Board and Executive remuneration

Bergslagets Skogar has not had any separate Executive Management Team but has purchased management services from Stora Enso AB in both 2024 and 2025 since none of the managers have been employed by any of Bergslagets Skogar's companies. An Executive Management Team for Bergslagets Skogar has been appointed and resume their roles during 2026.

Since Bergslagets Skogar AB is not yet incorporated it has no board of directors. In January 2026, Stora Enso Oyj announced a proposal for the Board of Directors to be appointed to Bergslagets Skogar AB when the company is incorporated. Those individuals have not been employed by Stora Enso Group nor served as the Board of Directors in any of Stora Enso's group companies; hence no remuneration has been paid to those individuals during 2024 nor 2025.

Note 8 Post employee benefit obligations

All blue-collar staff and part of the white-collar staff are covered by defined contribution plans, with a charge of SEK 5 (4) million in the Income Statement. Defined benefit plans are covering the remaining white-collar staff and resulted in a charge of SEK 1 (1) million. The defined benefit plans are either insured defined benefit plan or defined benefit plan that share risks between entities under common control. The defined benefit plan shared with Stora Enso fulfil the requirements under IAS 19 (Employee benefits) to be recognized as a defined contribution plan.

From 1 December 2025, the funding has changed and is prospectively insured by Alecta for most of the employees rather than being under a plan that shares risks with Remaining Stora Enso. Liabilities accrued up until 30 November 2025, for those employees covered by the defined benefit plan have been retained by Remaining Stora Enso and Bergslagets Skogar bears no risk for these. According to a statement from the Swedish Financial Reporting Board, UFR 10 (Recognition of ITP2 Pension Plan financed through insurance in Alecta) the plan insured by Alecta constitutes a multi-employer defined-benefit plan. Alecta however cannot provide the information required for recognizing individual company's proportional share of the plan's obligation, plan assets and costs, which makes it impossible to recognize these plans as defined-benefit plans. Accordingly, the ITP plans that are secured through insurance in Alecta are recognized as a defined contribution plan.

As per Statement of Financial Position date, some employees are under defined benefit plans that shares risks with Remaining Stora Enso. These plans should, no later than at the Demerger Effective Date, in full be insured by Alecta.

Note 9 Other operating expenses

SEK million	2025	2024
Other operating expenses		
Management fee, related party	151	142
Insurance expenses	11	9
Lease expenses	3	4
Credit losses, net of reversals	0	0
Losses on disposal of fixed assets	-	5
Provision changes in income statement	–	47
Other expenses	44	31
Total	**209**	**238**

Lease expenses comprise expenses related to short-term leases, low-value assets and variable lease payments, not included in the measurement of lease liabilities, of total SEK 3 (4) million. In 2025, the total cash outflow for leases was SEK 4 (4) million including interest component of SEK 0 (0) million.

Auditor's fees and services

SEK million	2025	2024
Audit fees	2	2
Audit-related	0	0
Tax fees	0	0
Other fees	0	0
Total	**2**	**2**

Note 10 Depreciation, amortization and impairment

SEK million	2025	2024
Depreciation and amortization		
Software	2	2
Property	11	11
Plant, equipment and right-of-use assets	35	33
Total	**48**	**46**

No impairment of assets has been recognized during the periods presented.

Note 11 Joint ventures

		Ownership interest/voting rights %			Carrying amount of equity interests		
SEK million		As at 31 December		As at 1 January	As at 31 December		As at 1 January
Legal entity	Country	2025	2024	2024	2025	2024	2024
Bergslagens Vind AB	Sweden	50.0	50.0	50	0	0	0
HV Energi AB	Sweden	50.0	–	–	11	–	–
Carrying amount at 31 December					**11**	**0**	**0**

Note 12 Financing items

SEK million	2025	2024
Interest expense from borrowings measured at amortized cost	147	144
Interest expense on leases	0	0
Interest expense	**147**	**144**

Note 13 Income taxes

Income tax rate reconciliation

SEK million	2025	2024
Profit before tax	**5,241**	**5,628**
Tax at statutory rates applicable to profits in Sweden	–1,080	–1,159
Non-deductible expenses	–2	–3
Tax exempt income	9	0
Taxes from prior years	–	–3
Other	0	–0
Total tax	**–1,073**	**–1,166**
Effective tax rate	**20.5%**	**20.7%**
Statutory tax rate	**20.6%**	**20.6%**

Change in deferred tax liabilities in 2025

SEK million	Value at 1 Jan 2025	Income statement	Other comprehensive income	Reclassification to inventory	Value at 31 Dec 2025
Forest assets	12,855	879	–758	–131	12,845
Fixed assets	6	4	–	–	10
Provisions	–64	7	–	–	–57
Inventory	–	–	–	131	131
Deferred tax liability, net	**12,798**	**890**	**–758**	**–**	**12,929**
Deferred tax assets, gross[1)]	–64				–65
Deferred tax liabilities, gross[1)]	12,862				12,995

1) Deferred tax assets and liabilities have been offset in accordance with IAS 12.

Change in deferred tax liabilities in 2024

SEK million	Value at 1 Jan 2024	Income statement	Other comprehensive income	Reclassification to inventory	Value at 31 Dec 2024
Forest assets	12,452	974	–571	–	12,855
Fixed assets	6	0	–	–	6
Provisions	–60	–3	–	–	–64
Deferred tax liability, net	**12,398**	**971**	**–571**	**–**	**12,798**
Deferred tax assets, gross[1)]	–61				–64
Deferred tax liabilities, gross[1)]	12,459				12,862

1) Deferred tax assets and liabilities have been offset in accordance with IAS 12.

The recognition of deferred tax assets is based on Bergslagets Skogar's estimations of future taxable profits available, against which Bergslagets Skogar can utilize the benefits.

Note 14 Software, property, plant and equipment and right-of-use assets

Software

SEK million	Software	Assets in progress[1]	Total
Acquisition cost			
At 1 January 2024	15	20	35
Translation difference	–	1	1
Additions	–	24	24
At 31 December 2024	**15**	**44**	**60**
Translation difference	–	–3	–3
Additions	0	18	18
Disposals	–0	–	–0
At 31 December 2025	**15**	**59**	**74**
Accumulated amortization and impairment			
At 1 January 2024	**7**	**–**	**7**
Amortization	2	–	2
At 31 December 2024	**9**	**–**	**9**
Disposals	–0	–	– 0
Amortization	2	–	2
At 31 December 2025	**11**	**–**	**11**
Carrying amount at 1 January 2024	**8**	**20**	**28**
Carrying amount at 31 December 2024	**6**	**44**	**50**
Carrying amount at 31 December 2025	**4**	**59**	**63**

1) Certain forest intelligence platform assets held by Stora Enso Oyj, Finland, are to be transferred to Bergslagets Skogar AB at the Demerger Effective Date.

Note 14 Software, property, plant and equipment and right-of-use assets, cont.

Property, plant and equipment and right-of-use assets

SEK million	Land and water	Property	Plant and equipment	Assets in progress	Total property, plant and equipment	Right of use assets[1]
Acquisition cost						
At 1 January 2024	3	248	672	76	999	1
Reclassifications	–	2	33	–36	–	–
Additions	–	11	19	26	56	0
Disposals	–	–1	–13	–	–14	–
At 31 December 2024	**3**	**260**	**710**	**66**	**1,040**	**1**
Reclassifications	–	–0	35	–35	–	–
Additions	4	4	10	29	46	0
Disposals	–	–1	–8	–	–8	–
At 31 December 2025	**7**	**263**	**747**	**61**	**1,078**	**1**
Accumulated depreciation and impairment						
At 1 January 2024	–	140	504	–	644	–
Disposals	–	–1	–8	–	–9	–
Depreciation	–	11	32	–	43	0
At 31 December 2024	**–**	**149**	**529**	**–**	**678**	**0**
Disposals	–	–0	–3	–	–3	–
Depreciation	–	11	34	–	45	0
At 31 December 2025	**–**	**160**	**560**	**–**	**720**	**1**
Carrying amount at 1 January 2024	**3**	**108**	**168**	**76**	**355**	**1**
Carrying amount at 31 December 2024	**3**	**111**	**182**	**66**	**362**	**1**
Carrying amount at 31 December 2025	**7**	**103**	**187**	**61**	**358**	**1**

1) Right of use assets include offices.

During the periods presented, there have been no indications of a need for impairment for software, property, plant and equipment and right of use assets.

Note 15 Forest assets

Bergslagets Skogar's land holdings, as per Statement of Financial Position date, amount to 1,215 thousand hectares. Out of these, 1,003 thousand hectares are classified as productive forest land (capable of producing at least 1 m^3 growing stock, solid over bark (m^3fo) per hectare and year). The holdings are spread over six regions of Sweden as shown in Table 1.

Table 1: Land holdings per region

Thousand ha	Total land holdings[1]	Productive forest land
Värmland, greater region	455.9	391.3
Dalarna, eastern	315.2	272.3
Jämtland, southern	262.4	181.2
Dalarna, western	102.2	88.0
Gävleborg, eastern	79.4	70.0
Southern holdings	0.2	0.2
Total	**1,215.2**	**1,003.0**

1) Excluding water.

Forest assets comprise standing growing trees (biological assets) and related forest land, measured at fair value.



Southern holdings correspond to two small holdings near the urban areas of Vänersborg and Rydöbruk in southern Sweden. To assess the value of these estates, public full-year forest estate prices for 2025 from Ludvig & Co are used instead of price zones based on external market transaction prices for these areas and are thus not included as price zones in the map. These holdings are located far away from Bergslagets Skogar's core operation area, but are nonetheless part of Bergslagets Skogar's forest assets.

Note 15 Forest assets, cont.

Valuation of total forest assets

The total fair value of forest assets of SEK 62,428 (62,470) million is determined using a market approach based on transaction prices for forest properties in the regions where Bergslagets Skogar operates. Prices for individual forest properties vary mainly due to geographical location, the land's productivity, and the volume of standing stock. To account for these differences, the valuation is based on transaction prices relative to standing stock volumes, analyzed by geographical area ("price areas") that broadly correspond to mid-Swedish counties.

To ensure a sufficiently large and representative sample, the valuation incorporates forest property transactions over a rolling three-year period. The calculation is carried out by determining the 36-month market transaction price in each price area (SEK/m³fo), and multiplying this price by the standing stock (m³fo) in the respective area to obtain the total forest asset fair value.

The market transaction price in each price area is calculated using detailed data from forest property transactions within that area. Bergslagets Skogar analyses this transaction data to estimate the value of standing stock, based on representative forest properties included in the dataset. These representative properties typically have characteristics comparable to Bergslagets Skogar's forest land, such as similar standing stock per hectare and a significant proportion of their total value attributable to forest assets.

The method is considered to reflect market conditions at the reporting date and has been applied consistently over the years.

Valuation as at 31 December 2025

The valuation based on transactions in forest properties amounted to SEK 62,428 (62,470) (60,579) million at 31 December 2025, corresponding to SEK 62 (62) (61) thousand per hectare of productive forest land and SEK 468 (470) (470) per m³fo on the productive forest land. The valuation per region is shown in Table 2, Table 3 and Table 4 below.

Table 2: Valuation summary per region, 31 December 2025

	Bergslagets Skogar's forests		Berglagets Skogar's book value		Market statistics[2]			
31 December 2025	Volume of standing stock, million m³fo	Area of productive forest land, thousand ha	SEKm	SEK '000/ ha[1]	SEK/m³fo	Number of transactions	Average size, ha per property[1]	SEK '000/ ha[1]
Värmland, greater region	58.3	391.3	28,275	72	485	293	51	70
Dalarna, eastern	35.6	272.3	17,494	64	491	349	43	71
Jämtland, southern	17.2	181.2	6,689	37	389	127	112	39
Dalarna, western	11.3	88.0	5,151	58	455	189	53	49
Gävleborg, eastern	10.8	70.0	4,802	68	443	77	53	71
Southern holdings	0.0	0.2	19	113	726	N/A	N/A	N/A
Total	**133.3**	**1,003.0**	**62,428**	**62**	**468**	**1,035**	**57**	**59**

1) Refers to productive forest land.
2) Refers to transactions forming the basis for the valuation based on detailed information about transactions in forest properties. Market statistics are based on 36-month market transaction price in each price area.

Table 3: Valuation summary per region, 31 December 2024

	Bergslagets Skogar's forests		Berglagets Skogar's book value		Market statistics[2]			
31 December 2024	Volume of standing stock, million m³fo	Area of productive forest land, thousand ha	SEKm	SEK '000/ ha[1]	SEK/m³fo	Number of transactions	Average size, ha per property[1]	SEK '000/ ha[1]
Värmland, greater region	57.8	392.9	27,025	69	467	250	57	69
Dalarna, eastern	36.2	272.1	18,124	67	500	322	47	73
Jämtland, southern	16.8	181.7	6,681	37	398	121	88	40
Dalarna, western	11.0	89.7	5,389	60	491	165	45	54
Gävleborg, eastern	11.2	70.0	5,230	75	465	72	61	72
Southern holdings	0.0	0.2	21	127	693	N/A	N/A	N/A
Total	**133.0**	**1,006.4**	**62,470**	**62**	**470**	**930**	**56**	**62**

1) Refers to productive forest land.
2) Refers to transactions forming the basis for the valuation based on detailed information about transactions in forest properties. Market statistics are based on 36-month market transaction price in each price area.

Note 15 Forest assets, cont.

Table 4: Valuation summary per region, 1 January 2024

	Bergslagets Skogar's forests		Berglagets Skogar's book value		Market statistics[2]			
1 January 2024	Volume of standing stock, million m³fo	Area of productive forest land, thousand ha	SEKm	SEK '000/ ha[1]	SEK/m³fo	Number of transactions	Average size, ha per property[1]	SEK '000/ ha[1]
Värmland, greater region	56.6	391.0	26,254	67	463	204	64	68
Dalarna, eastern	35.1	270.6	17,670	66	503	315	52	70
Jämtland, southern	16.1	177.2	6,137	35	381	117	121	34
Dalarna, western	10.7	88.9	5,253	60	491	126	47	52
Gävleborg, eastern	10.9	68.9	5,247	76	479	73	60	73
Southern holdings	0.0	0.2	19	118	771	N/A	N/A	N/A
Total	**129.5**	**996.7**	**60,579**	**61**	**470**	**835**	**65**	**59**

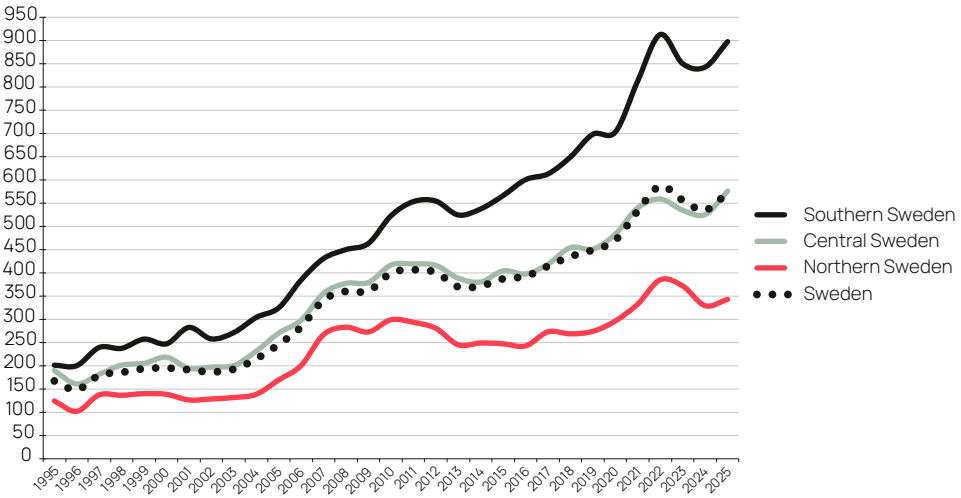
1) Refers to productive forest land.
2) Refers to transactions forming the basis for the valuation based on detailed information about transactions in forest properties. Market statistics are based on 36-month market transaction price in each price area.

Price statistics and transaction data

The price statistics come from Ludvig & Co and Areal, both of which are independent of Bergslagets Skogar, and the two largest real estate brokers in Sweden focusing on agricultural and forest land. The price statistics are expressed in SEK per m³fo of standing stock with extensive information about each property's forest condition. Bergslagets Skogar processes the information by excluding transactions for which, for example, the standing stock in m³fo/ha differs from Bergslagets Skogar forest standing stock in the same region, the size of the property is very small, or the forest asset share of the total property value is small. Information price statistics and transaction data is presented in Table 2, Table 3 and Table 4.

Chart 1 below shows annual prices compiled by Ludvig & Co for different regions in Sweden from 1995. Bergslagets Skogar's forests are mainly located in central Sweden.

Chart 1: Historical forest property prices SEK/m³fo



Volume of standing stock

Data on Bergslagets Skogar's volume of standing stock for each price area is used for the valuation. The volume of standing stock is calculated based on the most recent information from the company inventory and the most recent forest attribute data derived from airborne laser scanning, updated with the harvests realized and estimated growth after the inventory date. The company inventory is usually carried out every five years and last took place in 2025. Table 5 below shows the volume of standing stock measured in m³fo in the inventories carried out since 2020, and the calculated volume of standing stock at 31 December 2025.

Table 5: Bergslagets Skogar's volume of standing stock

	2020	2021	2022	2023	2024	2025
m³fo of standing stock	123.7	130.2	130.2	129.5	133.0	133.3

Table 6 below shows Bergslagets Skogar's volume growth of standing stock expressed in m³fo, Table 7 the site quality (i.e. the productive capacity of the land) of the productive forest land by region.

Table 6: Growth in Bergslagets Skogar's forest

	Total	
Volume, million m³fo	2025	2024
Value 1 January	**133.0**	**129.5**
Net growth (Gross growth – Natural losses)	5.4	5.2
Storm, method changes, other	–1.6	1.9
Harvesting	–3.6	–3.6
Net standing stock increase (excluding additions and disposals)	0.2	3.5
Value 31 December	**133.1**	**133.0**
Additions	0.2	0.1
Disposals	–0.0	–0.2
Value 31 December	**133.3**	**133.0**

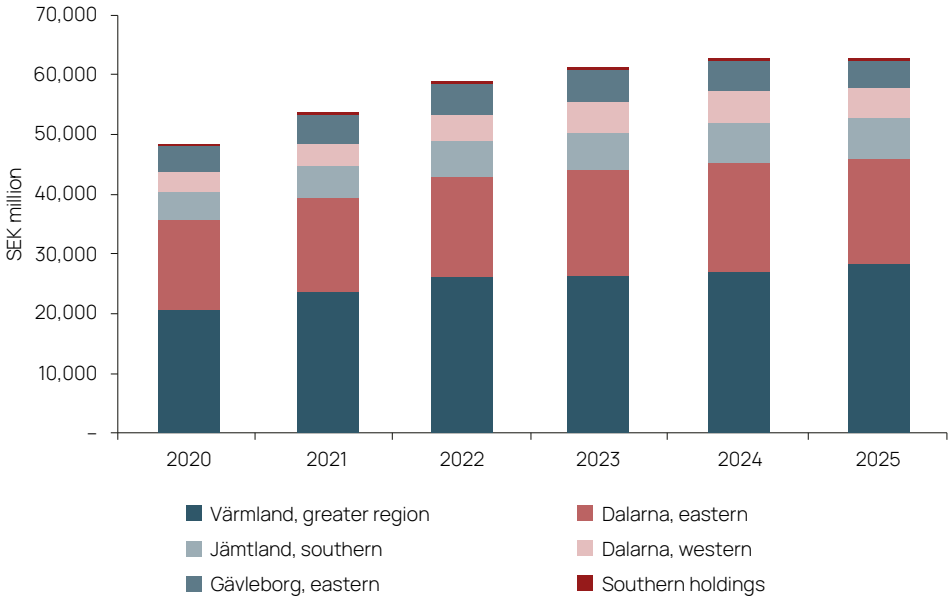
Table 7: Bergslagets Skogar's site quality per region

31 December 2025	Volume of standing stock, million m³fo	Site quality, m³/ha
Värmland, greater region	58.3	6.4
Dalarna, eastern	35.6	5.6
Jämtland, southern	17.2	3.0
Dalarna, western	11.3	4.4
Gävleborg, eastern	10.8	6.2
Southern holdings	0.0	5.8
Total	**133.3**	**5.4**

Historical valuations per region

Chart 2 below shows the total forest assets valuation aggregated for each region.

Chart 2: Bergslagets Skogar's historical carrying amounts per region



The value of standing stock varies between different parts of the country, the value of forest properties in the more southern parts of Sweden being significantly higher. This is partly due to better site quality, a shorter harvest cycle and higher wood prices, but is also due to the fact that demand for forest land is greater closer to densely populated areas. Table 8 and Table 9 below show how the valuation per region has developed since 2020.

Note 15 Forest assets, cont.

Table 8: Bergslagets Skogar's historical valuations[1] of m³fo/hectares per region (SEK)

	2020	2021	2022	2023	2024	2025
Värmland, greater region	398	413	457	463	467	485
Dalarna, eastern	427	446	476	503	500	491
Jämtland, southern	291	326	364	381	398	389
Dalarna, western	331	359	432	491	491	455
Gävleborg, eastern	421	435	450	479	465	443
Southern holdings	522	602	719	771	693	726
Total	**393**	**410**	**449**	**470**	**470**	**468**

1) Based on 36-month market transaction price in each price area.

Table 9: Bergslagets Skogar's historical valuations[1] of productive forest land of hectares per region (SEK '000/ha)

	2020	2021	2022	2023	2024	2025
Värmland, greater region	53	61	67	67	69	72
Dalarna, eastern	57	59	62	66	67	64
Jämtland, southern	25	29	33	35	37	37
Dalarna, western	37	42	52	60	60	58
Gävleborg, eastern	65	70	73	76	75	68
Southern holdings	71	99	118	118	127	113
Total	**49**	**54**	**59**	**61**	**62**	**62**

1) Based on 36-month market transaction price in each price area.

Sensitivity analysis

The measurement of fair value is primarily dependent on price statistics and transaction data collected from external parties and how large the volume of standing stock is estimated to be. The tables below show how the value per region is affected by a five percent price increase (Table 10) or one percent increase in standing stock (Table 11). A decrease in prices by five percent (Table 10) or decrease in standing stock (Table 11) would reduce the fair value with a corresponding negative amount.

Table 10: Sensitivity of price statistics and transaction data

Price statistics and transaction data		SEKm (new value)	SEKm (value increase)
Värmland, greater region	+5% (SEK 509/m³fo)	29,688	+1,414
Dalarna, eastern	+5% (SEK 516/m³fo)	18,368	+875
Jämtland, southern	+5% (SEK 408/m³fo)	7,023	+334
Dalarna, western	+5% (SEK 478/m³fo)	5,409	+258
Gävleborg, eastern	+5% (SEK 465/m³fo)	5,042	+240
Southern holdings	+5% (SEK 762/m³fo)	20	+1
Total	+5% (SEK 3,138/m³fo)	**65,550**	**+3,121**

Table 11: Sensitivity of volume of standing stock

Bergslagets Skogar's volume of standing timber		SEKm (new value)	SEKm (value increase)
Värmland, greater region	+1% (SEK 0.6 Mm³fo)	28,558	+283
Dalarna, eastern	+1% (SEK 0.4 Mm³fo)	17,669	+175
Jämtland, southern	+1% (SEK 0.2 Mm³fo)	6,756	+67
Dalarna, western	+1% (SEK 0.1 Mm³fo)	5,202	+52
Gävleborg, eastern	+1% (SEK 0.1 Mm³fo)	4,850	+48
Southern holdings	+1% (SEK 0.0 Mm³fo)	19	+0
Total	+1% (SEK 1.4 Mm³fo)	**63,053**	**+624**

Note 15 Forest assets, cont.

The volume of standing stock is based on sample inventories designed to provide the most reliable information possible about this volume. The last inventory was carried out in 2025 by an external party, with a mean error rate of 1.39 percent for Bergslagets Skogar's total volume of standing stock. The volume of standing stock is broken down by county based on information in the Bergslagets Skogar's stand catalogue. The change in the volume of standing stock after the inventory is based on harvest data and the estimated growth on which the current harvesting plan is based.

As the valuations are based on three years of transactions, sufficiently large samples are considered to be obtained in each geographical area to arrive at reliable valuations and reduce the impact of individual transactions while reflecting current market conditions. If valuations were based on transactions concluded over a shorter period of time, such as the past year, the quality and reliability of the valuations are estimated to be reduced due to the greater impact of individual transactions and the small number of transactions in certain regions. The total value of Bergslagets Skogar's holdings in 2025, i.e. using 12 months of transaction data would have amounted to SEK 498 per m^3fo, which is 6.4 percent higher than the valuation on which the carrying amount of the forest assets is based.

Carrying amount

The total forest assets fair value is subsequently allocated between biological assets and forest land, see Table 12, using an income approach based on the present value of expected future cash flows. These cash flows reflect, *inter alia*, expected harvesting volumes, forest growth, future wood prices and costs, as well as land-related income streams such as leases and other potential uses of the land. Fair value of biological assets and forest land is further described under the headings "valuation of biological assets" and "valuation of forest land" below.

Table 12: Carrying amount

	Forest assets total		Biological assets		Forest land	
	As at 31 December		As at 31 December		As at 31 December	
SEK million	2025	2024	2025	2024	2025	2024
Carrying amount at 1 January	**62,470**	**60,579**	**45,370**	**40,689**	**17,100**	**19,890**
Additions	83	52	65	35	18	18
Investment in reforestation	286	219	174	131	112	88
Reforestation reclassification	–	–	97	100	–97	–100
Investment in forest assets	368	272	335	266	33	6
Disposals	–40	–92	–30	–69	–10	–23
Reclassification to inventory	–635	–	–635	–	–	–
Change due to harvesting	–1,295	–1,116	–1,295	–1,116	–	–
Other changes	–321	–	–321	–	–	–
Unrealized change in fair value	1,881	2,826	5,561	5,599	–3,680	–2,773
Change in net value	265	1,711	3,945	4,483	–3,680	–2,773
Carrying amount at 31 December	**62,428**	**62,470**	**48,985**	**45,370**	**13,443**	**17,100**

Note 15 Forest assets, cont.

At the end of 2025, the value of forest assets amounted to SEK 62,428 (62,470) million whereof biological assets amounted to SEK 48,985 (45,370) million and forest land SEK 13,443 (17,100) million. The value of forest assets was mostly unchanged mainly due to a slight increase in standing stock off-set by slightly reduced forest property market prices. The general increase in standing stock was negatively affected by a storm in the end of December 2025. Long-term wood market prices had a positive impact on the value of biological assets however the increased discount rate impacted the biological asset value negatively. The storm in the end of December 2025 had a negative impact on the biological assets, due to which SEK 635 million of biological assets were reclassified to inventory and SEK 321 million has, through a write-down, reduced the change in net value of biological assets related to the damages. The full extent of the damage and potential insurance compensation is still being assessed.

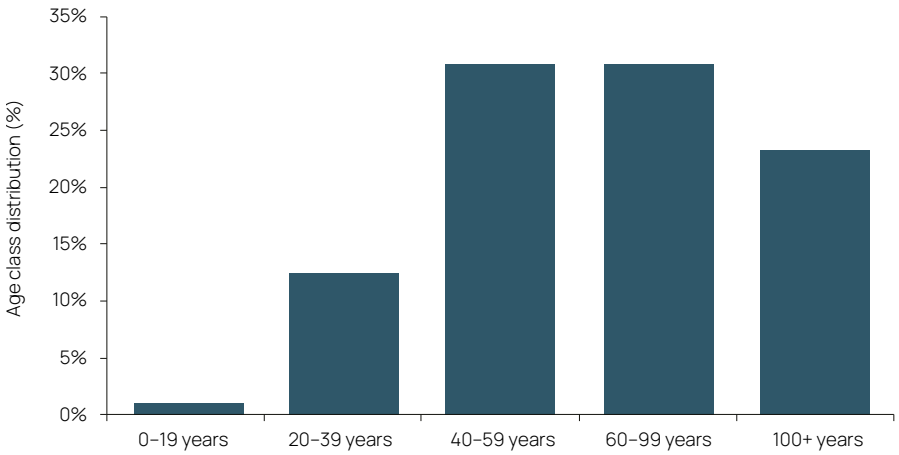
Valuation of biological assets

The fair value of biological assets as at 31 December 2025 was SEK 48,985 (45,370) million. Of the change for the year, SEK 335 (266) million is due to investments, SEK -30 (-69) million due to disposals, SEK -635 (-) million is explained by a reclassification to inventory and the remaining SEK 3,945 (4,483) million is recognized in the income statement. The positive income effect of SEK 3,945 (4,483) is explained by a positive unrealized change in fair value of SEK 5,561 (5,599) million reduced by harvesting SEK -1,295 (-1,116) million and a write-down due to storm related damages of SEK -321 (-) million. The positive unrealized change in fair values is mainly due to increased wood prices.

The value of standing trees was determined by calculating the present value of expected future cash flows, less selling costs after tax, from current standing trees. Costs for land preparation and replanting after harvesting were not included. The standing trees are expected, on average, to be harvested when they reach an age of 80 years. The current age distribution is illustrated in Chart 3. The volumes are based on the long-term harvesting plan that was updated in 2025. The harvesting plan is based on the current forest management programme. The plan takes into account existing forestry regulations. Projected future climate change is not used since estimates from Swedish University of Agricultural Sciences (SLU) indicate that although climate change will increase growth, there will likely be equal adverse impacts from increased pests and diseases. Under the plan, there should be an average harvest of 3.0 million m^3 solid under bark (sub) per year between 2026 and 2040, gradually increasing to 4.2 million m^3 sub in 90 years, corresponding to an annual increase of 0.4 percent as shown in Chart 4. In 2025 the harvest was 2.9 million m^3 sub. Revenue is calculated based on an average price of SEK 856 per m^3 sub in 2026, which is an increase from SEK 780 per m^3 sub the previous year as a result of continued price increases for both pulpwood and logs. The average nominal roundwood price applied in the valuation of the standing trees for the period 2026-2035 is SEK 894 m^3 sub. From 2036 roundwood prices are assumed to be unchanged compared to 2035. The price used is based on future forecasts for the Baltic Sea region made by AFRY Oy. The costs represent the current level in Bergslagets Skogar's operations. Prices and costs are assumed to increase in line with general inflation, which is estimated at 2.0 percent per year in accordance with the Swedish central bank's inflation target.

The discount rate for the 2025 valuation is 4.5 percent (4.1) after tax. This rate represents the estimated long-term cost of capital for investments in standing trees. The discount rate is determined as the rate at which the valuation, based on market transaction prices, matches the combined cash flows of total forest assets for biological assets and forest land. The discount rate is estimated to be the same for biological assets and forest land as the nature and timing of the cash flows are similar.

Chart 3: Age classes, years



Note 15 Forest assets, cont.

Chart 4: Harvesting plan, m^3 solid under bark per year (m^3 sub/year)

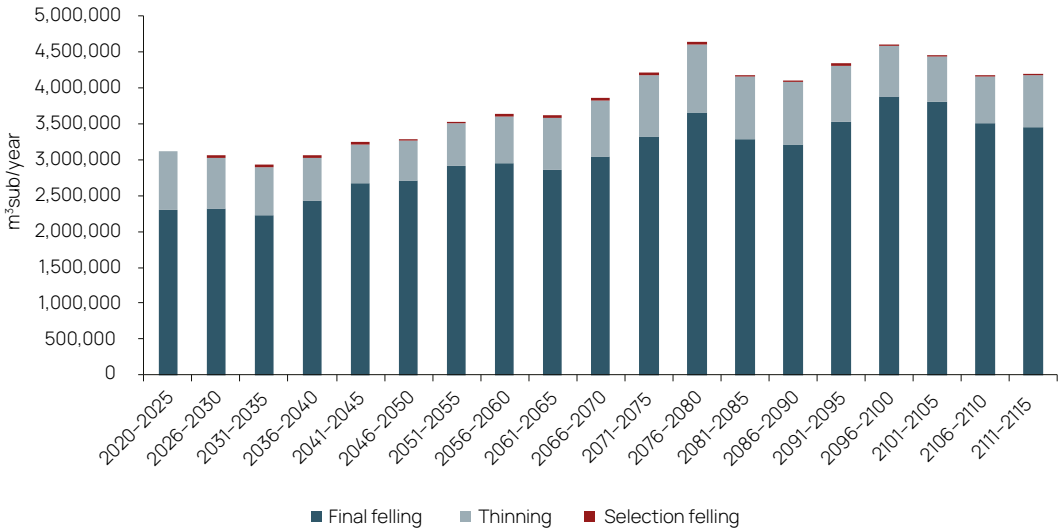


Chart 4 above shows average yearly harvest for the period 2020–2025 as well as harvesting plan for the period 2026–2115 for forest assets, split by final felling, thinning and selection felling expressed in m^3 sub per year.

Sensitivity analysis of biological assets

Table 13 below shows how the value of biological assets would be affected by changes in the most significant valuation assumptions.

Table 13: Sensitivity biological assets

		SEKm
Change in level	**+1%**	
Harvest volume		627
Price inflation		726
Cost inflation		–451
Change in level	**+5%**	
Harvest volume		3,133
Price inflation		3,630
Cost inflation		–2,297
Discount rate	**+0.1%**	**–1,355**

Change in level means that the level for each parameter and year is changed with all other parameters unchanged. For example, a 1 percent price increase means that wood prices in the calculations are raised by 1 percent for all years (change of level). An increase in the discount rate of 0.1 percent point would result in a reduction in the value of the biological assets with SEK 1,355 million.

Valuation of forest land

The fair value of forest land as at 31 December 2025 was SEK 13,443 (17,100) million. Forest land is measured at fair value using an income approach reflecting expected future cash flows from land-related activities, including future forest production and other potential income streams such as leases and land development opportunities. Of the change for the year, SEK 33 (6) million is due to investments, SEK –10 (–23) million to disposals of forest land and the remainder SEK –3,680 (–2,773) million consist of unrealized changes in fair values and is recognized in other comprehensive income. The negative unrealized change in fair values is mainly due to slightly reduced forest property prices, whilst the wood prices have increased, which leads to a lower value of forest land.

Sensitivity analysis of forest land

The valuation of forest land depends on the same parameters as the valuation based on transactions in forest properties and the valuation of biological assets.

The value of forest land may reflect existing and possible future revenue streams from the forest land, and the harvesting of future generations of trees, but there are also actors who assign value to land that is not linked to its ability to generate cash flows. Over the past five years, cash flow from land has amounted to approximately SEK 79 million per year, the major sources of existing cash flow being the sale of hunting leases and land leases. The sale of wind power projects, revenue from leases and property development, and leases linked to wind power have a large potential to increase in the coming years. The portfolio of wind power projects is under development and there are currently 17 parks in operation, and several projects at various stages of completion that may generate revenue in the form of both sales of wind power licenses and leases. The value of harvests from future generations of trees depends on the rate at which the trees grow and changes in the price of wood.

Note 16 Unlisted securities

Net book value

SEK million	2025	2024
Carrying amount at 1 January	**20**	**20**
Change in fair value	0	0
Additions	9	–
Carrying amount at 31 December	**28**	**20**

Fair value

	As at 31 December		As at 1 January
SEK million	2025	2024	2024
SweTree Technologies AB	4	4	4
Arevo AB	24	15	15
Total unlisted securities	**28**	**20**	**20**

Ownership

	As at 31 December		As at 1 January
%	2025	2024	2024
SweTree Technologies AB	11.16	11.16	11.16
Arevo AB	9.47	8.86	8.86

The unlisted securities are measured at fair value. The fair values are based on recent transactions, such as purchases of shares and new share issues between independent parties, adjusted for profit or loss incurred after the latest transaction.

Note 17 Inventory

	As at 31 December		As at 1 January
SEK million	2025	2024	2024
Materials and supplies	151	135	135
Work in progress	28	10	3
Finished goods	5	7	7
Spare parts and consumables	10	9	–
Storm-damaged timbers	635	–	–
Total	**829**	**161**	**145**

SEK 0 (0) million of inventory write-downs were recognized as an expense. SEK 0 (0) million were recognized as a reversal of previous write-downs. Storm-damaged timbers relate to timbers damaged during the storm reclassified to inventories as certain volumes were assessed to be saleable.

Note 18 Operative receivables

Current operative receivables

	As at 31 December		As at 1 January
SEK million	2025	2024	2024
Trade receivables – gross carrying amount[1)]	406	459	84
Expected credit losses	–0	–0	–0
Prepaid expenses and accrued income	0	0	0
Other receivables[2)]	20	17	21
Total	**426**	**476**	**105**

1) Trade receivables include SEK 387 (393) (69) million from related party transactions.
2) Other receivables include SEK 16 (9) (4) million from related party transactions.

Age analysis of trade receivables

	As at 31 December		As at 1 January
SEK million	2025	2024	2024
Not overdue	403	422	78
Less than 30 days overdue	1	32	1
31 to 60 days overdue	0	–	0
61 to 90 days overdue	0	1	0
91 to 180 days overdue	1	3	–
Over 180 days overdue	–	0	5
Total	**406**	**459**	**84**

As at 31 December 2025, a gross amount of SEK 3 (36) (6) million trade receivables were overdue. These relate to a number of unrelated customers that have no recent history of default. If Bergslagets Skogar has concerns regarding the financial status of a customer, an advance payment or an irrevocable letter of credit drawn from a bank is required.

Note 19 Total equity

At 31 December 2025, total equity amounted to SEK 44,736 (44,047) (42,543) million.

Through the Demerger, a Swedish public limited liability company, Bergslagets Skogar AB, will be incorporated. Through the Demerger, shareholders of Stora Enso Oyj will receive one class A share in Bergslagets Skogar AB for each class A share held in Stora Enso Oyj and one class B share in Bergslagets Skogar AB for each class R[1)] share held in Stora Enso Oyj. The shares of Bergslagets Skogar AB will be listed in Sweden at Nasdaq Stockholm and Finland at Nasdaq Helsinki within short after the Demerger Effective Date. Since Bergslagets Skogar is not per Statement of Financial Position date incorporated the share capital is nil. The number of shares at the Demerger Effective Date is expected to be 788,619,987. At 31 December 2025 this would imply 175,542,421 class A shares and 613,077,566 class B shares.

1) R share entitle the holder to one vote per ten shares with a minimum of one vote. At incorporation B shares in Bergslagets Skogar AB will have 1 vote for each commenced lot of 10 shares.

Note 20 Provisions

SEK million	Environmental	Reforestation	Restructuring and other	Total provisions
Carrying amount at 1 January 2024	**323**	**170**	**–**	**493**
Change in income statement				
New provisions	–	–	4	4
Increase in existing provisions	47	88	–	135
Reversal of existing provisions	–27	–	–	–27
Payments	–32	–100	–4	–136
Carrying amount at 31 December 2024	**312**	**158**	**1**	**470**
Change in income statement				
Increase in existing provisions	–	112	–	112
Reversal of existing provisions	–5	–	–1	–5
Payments	–28	–97	–	–125
Carrying amount at 31 December 2025	**279**	**174**	**–**	**452**

Allocation between current and non-current liabilities

SEK million	Environmental	Reforestation	Restructuring and other	Total provisions
Current liabilities: Payable within 12 months	32	105	–	137
Non-current liabilities: Payable after 12 months	292	65	–	356
Carrying amount at 1 January 2024	**323**	**170**	**–**	**493**
Current liabilities: Payable within 12 months	30	97	1	127
Non-current liabilities: Payable after 12 months	281	62	–	343
Carrying amount at 31 December 2024	**312**	**158**	**1**	**470**
Current liabilities: Payable within 12 months	30	106	–	136
Non-current liabilities: Payable after 12 months	248	68	–	316
Carrying amount at 31 December 2025	**279**	**174**	**–**	**452**

The most significant environmental provision is based on an agreement between Stora Enso Group and Stiftelsen Stora Kopparberget that obligates Bergslagets Skogar to arrange, carry out and finance the pumping and purification of mine water from the Falun copper mine site. The provision related to the mine is expected to be utilized annually until 2035 when the agreement with Stiftelsen Stora Kopparberget would cease to apply at the earliest. If the agreement were to expire, Bergslagets Skogar could nevertheless still face statutory liability exposure for identified remediation needs related to the Falun copper mine site. There is a risk that additional costs will arise in connection with any further need for remediation related to the Falun copper mine. The provision related to the mine at year end 2025 amounted to SEK 279 (312) (295) million.

Reforestation provision is related to an obligation to perform reforestation activities within a specified period following final harvesting.

Note 21 Financial risk management

Risk management principles and process

Bergslagets Skogar is exposed to several financial market risks that have been managed for Bergslagets Skogar under the policies approved by the Stora Enso Oyj Board of Directors. The objective is to ensure cost-effective funding of Bergslagets Skogar's combined entities through funding provided by Stora Enso Oyj at arm's lengths term and manage financial risks effectively. The Stora Enso Group Financial Risk Policy governs all financial transactions in Stora Enso Group. This policy and any future amendments take effect once they are approved by the Board of Directors of Stora Enso Oyj and all policies covering the use of financial instruments must comply with it. As member of the Stora Enso Group, Bergslagets Skogar is primarily financed through internal loans in SEK.

The major financial market risks are detailed below with the main exposures for Bergslagets Skogar being interest rate risk, currency risk, liquidity risk, and refinancing risk.

Interest rate risk

Bergslagets Skogar is exposed to an interest rate risk, that is the risk of fluctuating interest rates affecting the interest expense of Bergslagets Skogar and value of its financial assets and financial liabilities. Bergslagets Skogar is exposed to the interest rate risk through interest-bearing assets and liabilities, such as cash pool receivables and loans. Bergslagets Skogar's aim is to keep interest costs stable. As part of the Stora Enso Group, Bergslagets Skogar is, throughout the periods, financed mainly through a ten-year fixed interest internal loan of SEK 6,000 million maturing 2029.

Bergslagets Skogar do not use interest-rate swaps and cross-currency swaps to manage the interest-rate risk by synthetically converting floating-rate loans into fixed-rate loans.

Floating and fixed interest-rate position

The average interest duration for Bergslagets Skogar's net debt but excluding short-term interest-bearing receivables and current financial liabilities to related parties, is 3.2 (4.2) years on an amount of SEK 6,000 (6,000) (6,000) million at the end of 2025. The fixed rate interest portion was 100% (100%) (100%).

Foreign exchange risk – transaction risk

Bergslagets Skogar mainly operates within Sweden but has limited exposure to a foreign-currency transaction risk arising from exchange rate fluctuations. Foreign exchange transaction risk exposure comprises both sourcing of raw materials and sales of seed, seedlings and paint in foreign currencies, mainly euro (EUR). Bergslagets Skogar's general policy is to make sales and purchases in SEK. As a result, Bergslagets Skogar has limited exposure to foreign exchange risk in transactions, and therefore do not hedge transaction risks.

The currency transaction risk is the impact of exchange rate fluctuations on Bergslagets Skogar's Income Statement, which is derived from effect of revaluation of trade receivables or payables at period end currency rates.

Foreign exchange risk – translation risk

Translation risk results from fluctuations in exchange rates that affect the translation of Bergslagets Skogar's foreign operations into the presentation currency, SEK.

The Statement of Financial Position and Income Statement of the Finnish operations are translated into SEK using the applicable exchange rates resulting translation differences that are recognized in other comprehensive income and accumulated in equity.

Given the limited scale of the Finnish operations, the resulting translation risk is not considered significant amounting to EUR 5 (4) (2) million.

Liquidity and refinancing risk

Liquidity risk arises from the difficulty of obtaining finance for operations at a given point in time. Stora Enso Group's Financial risk policy, which Bergslagets Skogar adhere to as member of the Stora Enso Group, states that the average maturity of outstanding loans and committed credit facilities covering short-term borrowings should be at least four years. The policy further states that the Stora Enso Group must have cash equivalents and undrawn committed credit facilities to cover all debt maturing within the next 12 months, including supply chain financing and factoring. At 31 December 2025, Stora Enso Group's undrawn committed credit facilities and undrawn loans were at EUR 800 (1,235) million. The credit facilities are used as a backup for general corporate purposes and are fully undrawn. Bergslagets Skogar is currently financed via Stora Enso Group and have current interest-bearing receivables from related parties (SEK 1,299 million) and cash and cash equivalents (SEK 20 million) exceeding current financial liabilities from related parties (SEK 1,170 million). Bergslagets Skogar's entities are further participating in Stora Enso Group's Swedish cash pool where it has access to unused credit facilities amounting to SEK 88 million.

Bergslagets Skogar has during October 2026 entered into credit facilities which will be used for repayment of an interest-bearing liability payable to Stora Enso Oyj amounting to approximately SEK 9.48 billion to be transferred to Bergslagets Skogar at the Demerger Effective Date as well as payment of transaction related costs. See Note 28 – Events after the reporting period.

Funding events from 2025 are described in more detail in Note 22 – Financial liabilities.

Refinancing risk has been managed through the Stora Enso Group's funding strategy, which seeks to maintain a balanced maturity profile of outstanding debt. The table below presents the contractual maturities for Bergslagets Skogar's financial liabilities based on the remaining period to contractual maturity at the reporting date. Future interest cash flows have been estimated using the contractual interest rates prevailing at the reporting date.

Note 21 Financial risk management, cont.

Contractual maturities of financial liabilities, settlement net: 31 December 2025

SEK million	2026	2027	2028	2029	2030	2031+	Total
Non-current interest-bearing liabilities, related party	–	–	–	6,000	–	–	6,000
Non-current borrowings including current portion	**–**	**–**	**–**	**6,000**	**–**	**–**	**6,000**
Estimated contractual finance charges	141	141	141	24	–	–	447
Contractual repayments on non-current borrowings	**141**	**141**	**141**	**6,024**	**–**	**–**	**6,447**
Lease liabilities	1	–	–	–	–	–	1
Current financial liabilities, related party	1,170	–	–	–	–	–	1,170
Operative liabilities	180	–	–	–	–	–	180
Total contractual repayments at 31 December 2025	**1,491**	**141**	**141**	**6,024**	**–**	**–**	**7,796**

Contractual maturities of financial liabilities, settlement net: 31 December 2024

SEK million	2025	2026	2027	2028	2029	2030+	Total
Non-current interest-bearing liabilities, related party	–	–	–	–	6,000	–	6,000
Non-current borrowings including current portion	**–**	**–**	**–**	**–**	**6,000**	**–**	**6,000**
Estimated contractual finance charges	141	141	141	141	24	–	588
Contractual repayments on non-current borrowings	**141**	**141**	**141**	**141**	**6,024**	**–**	**6,588**
Lease liabilities	1	–	–	–	–	–	1
Current financial liabilities, related party	1,229	–	–	–	–	–	1,229
Operative liabilities	184	–	–	–	–	–	184
Total contractual repayments at 31 December 2024	**1,555**	**141**	**141**	**141**	**6,024**	**–**	**8,001**

Contractual maturities of financial liabilities, settlement net: 1 January 2024

SEK million	2024	2025	2026	2027	2028	2029+	Total
Non-current interest-bearing liabilities, related party	–	–	–	–	–	6,000	6,000
Non-current borrowings including current portion	**–**	**–**	**–**	**–**	**–**	**6,000**	**6,000**
Estimated contractual finance charges	141	141	141	141	141	24	729
Contractual repayments on non-current borrowings	**141**	**141**	**141**	**141**	**141**	**6,024**	**6,729**
Lease liabilities	1	–	–	–	–	–	1
Current financial liabilities, related party	784	–	–	–	–	–	784
Operative liabilities	167	–	–	–	–	–	167
Total contractual repayments at 1 January 2024	**1,092**	**141**	**141**	**141**	**141**	**6,024**	**7,680**

Note 21 Financial risk management, cont.

Financial transactions counterparty credit risk

Counterparty credit risk is the risk of financial loss resulting from a counterparty's failure to fulfil its contractual obligations. The maximum exposure to counterparty credit risk corresponds to the carrying amount of its financial assets. As member of the Stora Enso Group, Bergslagets Skogar applies the Stora Enso Group's financial risk policy designed to limit counterparty credit risks.

Under this policy, transactions are conducted only with counterparties meeting specified credit quality requirements, and exposure limits are established based on the duration of the financial contract and the counterparty's credit rating. The policy also requires diversification of cash and cash equivalent holdings and, where appropriate, parent company guarantees when dealing with subsidiaries of rated counterparties.

Bergslagets Skogar applies Stora Enso's Financial Risk Policy that defines the counterparty exposure limits based on the term of financial contract and the counterparty's credit rating. Bergslagets Skogar participates in the Stora Enso Group's cash pool arrangement in accordance with the Stora Enso Group's financial risk policy.

At the year-end 2025, there were no significant concentrations of counterparty credit risk with other than exposure to Stora Enso, which had a credit rating of BBB-.

Customer credit risk

Customer credit risk represents the risk of financial loss arising from a customer's failure to meet its contractual obligations.

Management considers that there is no significant concentration of credit risk in respect of individual external customers, counterparties or geographical regions. However, Bergslagets Skogar has a significant concentration of credit risk towards Stora Enso Skog AB, which is a subsidiary of Stora Enso Oyj. At the Demerger Effective Date trade receivables, payable by Stora Enso Skog AB to Bergslagets Skogar, will become third-party receivables. The information for ageing of trade receivables and related expected credit loss allowances are given in Note 18 – Operative receivables.

Capital risk management

The capital risk management for Bergslagets Skogar has been handled by Stora Enso in 2024 and 2025 as part of the Stora Enso Group.

Bergslagets Skogar does not, as of Statement of Financial Position date, have any borrowings subject to financial covenants.

Note 22 Financial liabilities

Financial liabilities

	As at 31 December		As at 1 January
SEK million	2025	2024	2024
Non-current interest-bearing liabilities, related party	6,000	6,000	6,000
Non-current interest-bearing liabilities including current portion	**6,000**	**6,000**	**6,000**
Group contribution liabilities, related party	1,124	1,184	738
Interest payable, related party	46	46	46
Total financial liabilities	**7,170**	**7,229**	**6,784**

SEK million	2025	2024
Carrying value at 1 January	7,229	6,784
Change in group contribution liabilities, related party	–60	445
Change in interest payable	0	–
Total financial liabilities	**7,170**	**7,229**

Financial liabilities – maturities, interest rates and currency breakdown

Bergslagets Skogar's non-current interest-bearing liabilities comprise of a SEK 6,000 million loan between Stora Enso Oyj and Bergslagets Skogar, maturing 2029-03-05. The loan bears fixed interest rate of 2.35% per year. Group contribution liabilities are related to payables to Stora Enso AB for group contributions. Detailed maturity analysis of Bergslagets Skogar's borrowings is set out in Note 21 – Financial risk management.

Net debt

	As at 31 December		As at 1 January
SEK million	2025	2024	2024
Non-current interest-bearing receivables, related party	–	182	182
Current interest-bearing receivables, related party	1,299	1,005	967
Cash and cash equivalents	20	1	0
Interest-bearing assets	**1,318**	**1,187**	**1,149**
Non-current interest-bearing liabilities, related party	6,000	6,000	6,000
Current financial liabilities, related party	1,170	1,229	784
Total financial liabilities	**7,170**	**7,229**	**6,784**
Net debt	**5,851**	**6,043**	**5,636**

In 2025 net debt decreased by SEK 191 (increased by SEK 407) million to SEK 5,851 (6,043) million. Net debt is equal to total financial liabilities less total interest-bearing assets such as cash equivalents, cash pool and loan receivables. Current interest-bearing receivables, related party, including participation in the cash pool, increased by SEK 294 (38) million to SEK 1,299 (1,005) million as at 31 December 2025. The ratio of net debt to the forest value (Loan-to-value, net) was 0.09 (0.10) (0.09). All balances included in net debt is denominated in SEK.

Note 23 Operative liabilities

Current operative liabilities

	As at 31 December		As at 1 January
SEK million	2025	2024	2024
Trade payables[1)]	110	145	141
Payroll and staff-related accruals	42	3	0
Accrued liabilities and deferred income	3	3	5
Advances received	1	0	0
Other payables	25	33	21
Total	**180**	**184**	**167**

1) Trade payables include SEK 55 (83) (90) million from related party transactions.

Note 24 Fair value

Carrying amounts of financial assets and liabilities by measurement and fair value categories: As at 31 December 2025

					Fair value hierarchy			
SEK million	Amortized cost	Fair value through profit or loss	Total carrying amount	Fair value	Level 1	Level 2	Level 3	Note
Financial assets								
Unlisted securities	–	28	28	28	–	–	28	16
Other non-current financial assets	–	4	4	4	–	–	4	
Trade and other operative receivables[1)]	426	–	426	426	–	–	–	18
Current interest-bearing receivables, related party[1)]	1,299	–	1,299	1,299	–	–	–	26
Cash and cash equivalents	20	–	20	20	–	–	–	
Total	**1,744**	**32**	**1,777**	**1,777**	**–**	**–**	**32**	

1) Carrying amount is a reasonable approximation of fair value.

					Fair value hierarchy			
SEK million	Amortized cost	Fair value through profit or loss	Total carrying amount	Fair value	Level 1	Level 2	Level 3	Note
Financial liabilities								
Non-current interest-bearing liabilities, related party	6,000	–	6,000	5,876	–	–	5,876	22
Lease liabilities[1)]	1	–	1	1	–	–	–	22
Current financial liabilities, related party[1)]	1,170	–	1,170	1,170	–	–	–	22
Trade and other operative payables[1)]	180	–	180	180	–	–	–	23
Total	**7,350**	**–**	**7,350**	**7,226**	**–**	**–**	**5,876**	

1) Carrying amount is a reasonable approximation of fair value.

Carrying amounts of financial assets and liabilities by measurement and fair value categories: As at 31 December 2024

					Fair value hierarchy			
SEK million	Amortized cost	Fair value through profit or loss	Total carrying amount	Fair value	Level 1	Level 2	Level 3	Note
Financial assets								
Unlisted securities	–	20	20	20	–	–	20	16
Non-current interest-bearing receivables, related party	182	–	182	182	–	–	–	26
Other non-current financial assets	–	2	2	2	–	–	2	
Trade and other operative receivables[1)]	476	–	476	476	–	–	–	18
Current interest-bearing receivables, related party[1)]	1,005	–	1,005	1,005	–	–	–	26
Cash and cash equivalents	1	–	1	1	–	–	–	
Total	**1,663**	**22**	**1,684**	**1,684**	**–**	**–**	**22**	

1) Carrying amount is a reasonable approximation of fair value.

					Fair value hierarchy			
SEK million	Amortized cost	Fair value through profit or loss	Total carrying amount	Fair value	Level 1	Level 2	Level 3	Note
Financial liabilities								
Non-current interest-bearing liabilities, related party	6,000	–	6,000	5,803	–	–	5,803	22
Lease liabilities[1)]	1	–	1	1	–	–	–	22
Current financial liabilities, related party[1)]	1,229	–	1,229	1,229	–	–	–	22
Trade and other operative payables[1)]	184	–	184	184	–	–	–	23
Total	**7,414**	**–**	**7,414**	**7,217**	**–**	**–**	**5,803**	

1) Carrying amount is a reasonable approximation of fair value.

Note 24 Fair value, cont.

Carrying amounts of financial assets and liabilities by measurement and fair value categories: As at 1 January 2024

					Fair value hierarchy			
SEK million	Amortized cost	Fair value through profit or loss	Total carrying amount	Fair value	Level 1	Level 2	Level 3	Note
Financial assets								
Unlisted securities	–	20	20	20	–	–	20	16
Non-current interest-bearing receivables, related party	182	–	182	182	–	–	–	26
Other non-current financial assets	–	2	2	2	–	–	2	
Trade and other operative receivables[1)]	105	–	105	105	–	–	–	18
Current interest-bearing receivables, related party[1)]	967	–	967	967	–	–	–	26
Cash and cash equivalents	0	–	0	0	–	–	–	
Total	**1,253**	**22**	**1,275**	**1,275**	**–**	**–**	**22**	

1) Carrying amount is a reasonable approximation of fair value.

					Fair value hierarchy			
SEK million	Amortized cost	Fair value through profit or loss	Total carrying amount	Fair value	Level 1	Level 2	Level 3	Note
Financial liabilities								
Non-current interest-bearing liabilities, related party	6,000	–	6,000	5,770	–	–	5,770	22
Lease liabilities[1)]	1	–	1	1	–	–	–	22
Current financial liabilities, related party[1)]	784	–	784	784	–	–	–	22
Trade and other operative payables[1)]	167	–	167	167	–	–	–	23
Total	**6,952**	**–**	**6,952**	**6,721**	**–**	**–**	**5,770**	

1) Carrying amount is a reasonable approximation of fair value.

Reconciliation of recurring level 3 fair value measurement of financial assets and liabilities

SEK million	2025	2024
Financial assets		
Opening balance at 1 January	22	22
Gains/losses recognized in income statement	0	0
Additions	10	–
Closing balance at 31 December	**32**	**22**

Note 25 Combined entities

Legal entities	Organization number	Country	Ownership, % As at 31 December 2025	As at 31 December 2024	As at 1 January 2024
Stora Kopparbergs Bergslags AB	556012-9479	Sweden	100.00	100.00	100.00
Bergslaget Förvaltnings AB	559381-1853	Sweden	100.00	100.00	100.00
Bergnät 1 AB	556919-5653	Sweden	100.00	100.00	100.00
Stora Enso Bergskog 3 AB	559377-6148	Sweden	100.00	100.00	100.00
Beta Skog 1 AB	559377-6114	Sweden	100.00	100.00	100.00
Bergslagets Egendomar AB	559525-9614	Sweden	100.00	–	–
Bergnät 2 AB	559509-9648	Sweden	100.00	–	–
Stora Enso Skog och Mark AB	559207-6375	Sweden	–	100.00	100.00

Joint ventures	Organization number	Country	Ownership, % As at 31 December 2025	As at 31 December 2024	As at 1 January 2024
Bergslagens Vind AB	559440-2041	Sweden	50.00	50.00	50.00
HV Energi AB	559493-7046	Sweden	50.00	–	–

Stora Enso divested a portion of its Swedish forest assets in September 2025. The assets, liabilities, income, expenses and cash flows attributable to the divested forest operations have not been included in these Financial Statements. The forest assets and related liabilities divested by Stora Enso in September 2025, were until 31 March 2025 part of the legal entity Stora Enso Skog och Mark AB and on 1 April 2025 transferred to a separate legal entity. The assets, liabilities, income, expenses and cash flows from the divested forest have from 1 January 2024 until 31 March 2025 been excluded from Stora Enso Skog och Mark AB's historical financial information.

Nursery activities have been carried out within Stora Enso Skog AB (556009-5589), Sweden. As Stora Enso Skog AB is outside the perimeter of the combined Financial Statements, the income, expenses, assets, liabilities and cash flows attributable to nursery activities have been carved out from Stora Enso Skog AB and included in the Financial Statements from 1 January 2024 until 30 November 2025. On 1 December 2025 the nursery activities were transferred to Bergslaget Förvaltnings AB.

Employees in Falu Rödfärg and a SEK 6,000 million loan payable including accrued interest to Stora Enso Oyj were transferred in September 2026 through a demerger from Stora Enso AB, an entity remaining under control by Stora Enso Group, to a newly incorporated legal entity, Bergslaget Holding AB. The income, expenses, assets, liabilities and cash flows attributable to the employees in Falu Rödfärg and the SEK 6,000 million loan payable are included in the Financial Statements.

Certain forest intelligence platform assets held by Stora Enso Oyj, Finland, are to be transferred to Bergslagets Skogar AB at the Demerger Effective Date. Assets and cash flows related to those assets are included in these Financial Statements.

See also Note 1 – Material accounting policies, Basis of preparation for further details on assets and personnel included in the Combined Financial Statements.

Note 26 Related party transactions

Related parties

Bergslagets Skogar is part of Stora Enso Group until the completion of the Demerger. Remaining Stora Enso, i.e. Stora Enso Group and its subsidiaries excluding Bergslagets Skogar, are considered to be related parties to Bergslagets Skogar. Bergslagets Skogar's joint ventures are also considered to be related parties.

Further Bergslagets Skogar has classified Solidium Oy and Wallenberg Investments AB with subsidiaries, e.g. Wallenberg Investments Holdings AB (previously FAM AB) and Kopparfors Fastigheter AB, as related parties. Solidium Oy is entirely owned by the State of Finland, and owned 10.7% of Stora Enso's shares and 27.4% of all votes on 31 December 2025. Wallenberg Investments Holdings AB owned 10.2% of Stora Enso's shares and 27.4% of all votes on 31 December 2025. Wallenberg Investments Holdings AB is wholly owned by Wallenberg Investments AB.

Balances and transactions between Bergslagets Skogar's legal entities have been eliminated on combination and are not disclosed in this note. During 2024 and 2025 there is no Executive Management Team of Bergslagets Skogar, see Note 7 – Board and Executive remuneration for more information.

Transactions with Remaining Stora Enso Group

Remaining Stora Enso Group is the largest customer of Bergslagets Skogar and sales mainly consist of wood sales, seed and seedlings.

Materials and services with related parties consist of purchased services from other legal entities within the Remaining Stora Enso Group. Charges for central services, as well as direct and indirect services, are based on actual costs incurred by the Remaining Stora Enso Group and are primarily recognized under Materials and services and Other operating expenses but a portion is recognized as investment in biological assets. Previously unallocated central costs in Stora Enso Group, which mainly are costs related to Stora Enso Group's management activities, have not been allocated to Bergslagets Skogar.

The annual interest rate for non-current loan of SEK 6,000 million is 2.35% (2.35%).

Between Bergslagets Skogar and the Remaining Stora Enso Group there are operative receivables, cash pool and other interest-bearing receivables and financial liabilities. Cash pools are presented as current interest-bearing receivables.

Sales, purchases and interests

SEK million	2025	2024
Sales	1,737	1,575
Other operating income	2	2
Materials and services	–460	–406
Other operating expenses	–151	–142
Interest income	18	24
Interest expense	–147	–144

Outstanding balances

	As at 31 December		As at 1 January
SEK million	2025	2024	2024
Non-current interest-bearing receivables	–	182	182
Operative receivables	403	402	73
Current interest-bearing receivables[1)]	1,299	1,005	967
Non-current interest-bearing liabilities	–6,000	–6,000	–6,000
Current financial liabilities, related party	–1,170	–1,229	–784
Operative liabilities	–55	–83	–90

1) Of which cash pool 1,298 (1,003) (954).

Transactions with owners in equity

	Year ended 31 December	
SEK million	2025	2024
Group contributions, net	–1,108	–1,202
Effective tax effects	199	219
Other transfer of assets and liabilities without considerations[1)]	190	226
Settlement of nursery activity operations[2)]	–246	–
Capital contributions	410	–
Total transactions with owners	**–555**	**–757**

1) Other transfer of assets and liabilities without consideration consists of economic activities that have been carved in from companies under common control of Stora Enso Oyj such as the nursery activities and forest intelligence platform activities and activities carved out from Bergslagets Skogar's legal entities such as the divested 175,000 hectares of Swedish forest assets.
2) Settlement of nursery activity operations represent the purchase consideration paid for the nursery activities transferred to Bergslaget Förvaltnings AB on 1 December, 2025.

Note 26 Related party transactions, cont.

Subject to finalization of the Demerger all receivables and payables with Remaining Stora Enso except trade receivables and trade payables in the ordinary course of business should be settled no later than within short after the Demerger Effective Date. Trade receivables and trade payables with Remaining Stora Enso will become third-party balances at the Demerger Effective Date.

Transactions with other related parties

In the ordinary course of business, Bergslagets Skogar engages in transactions on commercial terms with joint ventures and Kopparfors Fastigheter AB, that are not any more favorable than those that would be available to other third parties. Bergslagets Skogar intends to continue with transactions on a similar basis with its joint ventures and Kopparfors Fastigheter AB. Bergslagets Skogar sells seed and seedlings at market prices to Kopparfors Fastigheter AB amounting to SEK 3 (3) million.

Note 27 Management Performance Measures

The Management Performance Measures (MPM) of Bergslagets Skogar provides management's view of an aspect of the financial performance of Bergslagets Skogar as a whole and that it is not necessarily comparable to MPMs disclosed by other entities.

SEK million	2025	2024
Adjusted operating profit	1,378	1,246
Investing items	18	24

Definitions of management performance measures

Financial measure	Definition	Reason for use of the measure
Adjusted operating profit	Operating profit or loss adjusted for items affecting comparability, profits and losses on sale of fixed assets and investments and net value changes of biological assets. Items affecting comparability are items that are either not expected to arise in future reporting periods or considered by management not to be a part of the underlying core business activities, and include e.g. larger non-recurring income, larger restructuring initiatives, loss or additional cost due to natural events, environmental provision, and separation and listing costs, having a significant impact on the comparability.	Used by management to analyze the business and, from time-to-time, for short-term and long-term target setting. This is helpful in understanding the trends in the Group's underlying profitability excluding the impacts from transactions not expected to arise in future reporting periods or those that are not part of the underlying core business operations.
Investing items	Includes share of result in joint ventures, change in fair value of unlisted securities and interest income.	Used by management to analyze the business investing activities. This is helpful when evaluating capital allocation decisions and the performance of assets held primarily to generate returns.

Reconciliation of management performance measures

Adjusted operating profit

	Before tax		Income tax effect		After tax	
SEK million	2025	2024	2025	2024	2025	2024
Operating profit	5,371	5,747				
(+/−) Change in net value of biological assets	−3,945	−4,483	813	924	−3,132	−3,560
(−/+) Profits and losses on sale of fixed assets and investments	−43	−41	9	8	−34	−33
(+/−) Items affecting comparability	−5	23	1	−5	−4	18
Adjusted operating profit	**1,378**	**1,246**				

The income tax effect in the reconciliation above is computed using the statutory tax rate in Sweden of 20.6% for each period.

Items affecting comparability (IAC)

	Before tax		Income tax effect		After tax	
SEK million	2025	2024	2025	2024	2025	2024
Restructuring[1)]		3		−1		2
Environmental provisions[2)]	−5	20	1	−4	−4	16
Total	**−5**	**23**	**–**	**–**	**−4**	**18**

1) Affecting personnel expenses.
2) Affecting other operating expenses.

The income tax effect in the reconciliation above is computed using the statutory tax rate in Sweden of 20.6% for each period.

Note 28 Events after the reporting period

On 30 October 2026, Stora Enso announced that the Board of Directors of Stora Enso had approved the demerger plan. On 2 November 2026, Stora Enso announced that the Board of Directors of Stora Enso had decided to convene an extraordinary general meeting to be held on 15 December 2026 to resolve on the Demerger in accordance with the demerger plan whereby a public Swedish limited liability company, with the proposed trade name Bergslagets Skogar AB, is incorporated. The completion of the Demerger is, among other things, subject to approval by Stora Enso's shareholders at an extraordinary general meeting in Stora Enso Oyj, which is scheduled to be held on 15 December 2026, and subsequent approval by the Board of Directors of Stora Enso Oyj. The Demerger is expected to be completed on 31 March 2027 ('Demerger Effective Date'). At the Demerger Effective Date Bergslagets Skogar AB is incorporated. The shares of the newly incorporated company are expected to be listed at Nasdaq Stockholm and Nasdaq Helsinki soon after the Demerger is effective.

At the Demerger Effective Date, all such assets, rights, debts and liabilities which relate to, or primarily serve, the Swedish forest assets business, shall be transferred without a liquidation procedure to Bergslagets Skogar AB, to be incorporated in the Demerger. The assets include e.g. all shares in Bergslaget Holding AB, identified forest intelligence platform assets, an interest-bearing receivable on Bergslaget Holding AB amounting to SEK 6,000 million plus accrued unpaid interest thereon. The liabilities transferred include an interest-bearing liability payable to Stora Enso Oyj amounting to approximately SEK 9.48 billion for which settlement is expected to take place shortly after the completion of the Demerger ('the Back-to-Back Loan').

Stora Enso Oyj, as guarantor, and Bergslagets Egendomar AB, as borrower, have during October 2026 entered into a SEK 6 billion senior secured facilities agreement and an up to SEK 3.5 billion secured facility agreement with certain Nordic lenders, pursuant to which new external financing is to be made available to be drawn down as of, or shortly after, the Demerger Effective Date by Bergslagets Egendomar AB. Stora Enso Oyj has entered into the SEK 6 billion facilities agreement and the SEK 3.5 billion facility agreement as a guarantor with respect to guarantees becoming effective as of the Demerger Effective Date, but the rights and obligations of Stora Enso Oyj under both financing agreements are to be transferred to, and will be binding towards, Bergslagets Skogar AB as a guarantor as of the Demerger Effective Date following which Stora Enso Oyj will be released from all liabilities thereunder.

On 22 October 2026, Bergslagets Skogar entered into a Wood Sales Agreement ('WSA') with Remaining Stora Enso. The WSA is valid for a period of 18 years following the Demerger. The terms and conditions in the WSA correspond in all material respects to the terms and conditions in the current wood sales agreement in force between Bergslagets Skogar and Remaining Stora Enso, with the exception of the over time decreasing volumes exclusive to Stora Enso and thereto related adjustments.

Stora Enso Oyj has announced the Executive Management Team of Bergslagets Skogar AB that include Tuomas Hallenberg, CEO, Martin Ros, CFO, Johan Djurberg, Head of Forestry and Pontus Selderman, General Counsel. The announcement of Hallenberg was made on 14 November 2025 and he assumed his role in January 2026. The other members of the Executive Management Team were announced on 6 March 2026.

Board members to be appointed to the board of Bergslagets Skogar AB have been nominated on 8 January 2026 and are supporting the Board of Directors of Stora Enso Oyj and the Executive Management Team in the separation process.

Further information regarding Bergslagets Skogar's development after the end of the financial year can be found in the Condensed Combined Interim Financial Information as at and for the nine-month period ended 30 September 2026, which can be found on pages F-2–F-12.

Other than the above, there have been no significant changes in Bergslagets Skogar's financial position after 31 December 2025 up to and including the date of authorization for issue by the Board of Directors of Stora Enso Oyj.

Definitions

ADS Program refers to the ADS program which Bergslagets Skogar intends to establish where investors hold and trade Bergslagets Skogar's ADSs anticipated to be registered in Citibank, N.A. ("**Citibank**"), in its capacity as the depositary in the United States, in the over-the-counter ("**OTC**") market.

ADSs refers to American depositary shares, which may be evidenced by American depositary receipts ("**ADRs**").

Bergslagets Skogar, **Company** or **Group** refers to, depending on the context, the Swedish public limited liability company to be incorporated in the Demerger with the proposed name Bergslagets Skogar AB, the group of which Bergslagets Skogar AB will be the parent company following the Demerger or a subsidiary of that group.

Bergslagets Skogar Shares refers to, for purposes of the discussion under the section "*Tax considerations – Certain U.S. federal income tax considerations*", Bergslagets Skogar shares and Bergslagets Skogar ADSs.

Biodiversity Action Program refers to Bergslagets Skogar's program for executing and tracking operational biodiversity measures across its forest estate, including habitat inventories, restoration measures and monitoring of biodiversity indicators.

Carbon credit refers to a tradable certificate or unit representing the reduction, removal or avoidance of one tonne of carbon dioxide equivalent, which may be generated from forestry or land use activities and sold in voluntary or compliance carbon markets.

Certification refers to independent third-party verification that forest management practices meet the requirements of a recognized forest certification standard, such as FSC or PEFC.

Climate, in the context of Bergslagets Skogar's sustainability strategy, refers to the Company's approach to carbon sequestration in growing forests, carbon storage in harvested wood products, and adaptation of forest management to changing weather and growing conditions.

CO_2 equivalents (or CO_2e) refers to a standardized unit expressing the global warming impact of a given amount of a greenhouse gas, or a mix of greenhouse gases, relative to the impact of the same amount of carbon dioxide.

Continuous cover forestry refers to a forest management method under which selected trees are harvested while continuous tree cover is maintained, as an alternative to the conventional rotation model based on clear-cutting.

Demerger refers to the cross-border partial demerger of Stora Enso, pursuant to which all assets, rights, debts and liabilities of Stora Enso which relate to, or primarily serve, its Swedish Forest Assets Business, shall be transferred without a liquidation procedure to a Swedish public limited liability company to be incorporated in the Demerger with the proposed name Bergslagets Skogar AB.

Demerger Consideration refers to the demerger consideration in the Demerger.

Demerger Consideration Shares refers to one (1) new share of the corresponding share class in Bergslagets Skogar (i.e., shares of class A or class B), which the shareholders of Stora Enso shall receive as Demerger Consideration according to the Demerger Plan.

Demerger Plan refers to the demerger plan concerning the Demerger dated 30 October 2026.

Demerger Record Date refers to the applicable record date for the Demerger to be set in connection with the completion of the Demerger pursuant to the rules and procedures applied by Euroclear Sweden and Euroclear Finland.

Distribution refers to, for purposes of the discussion under the section "*Tax considerations – Certain U.S. federal income tax considerations*", the receipt, by U.S. Holders, of (i) Bergslagets Skogar shares pursuant to the allocation of the Demerger Consideration Shares by Stora Enso or (ii) Bergslagets Skogar ADSs in respect of their Stora Enso ADSs, in each case, in connection with the Demerger.

Effective Date refers to the date of registration of completion of the Demerger with the Finnish Patent and Registration Office.

EGM refers to the Extraordinary General Meeting of Stora Enso, to be held on 15 December 2026, which is proposed to approve the Demerger Plan and resolve on the Demerger in accordance with the Demerger Plan.

EUR refers to euro.

Euroclear Finland refers to Euroclear Nordics Oy.

Euroclear Finland Nominee Account refers to a nominee account in the Swedish Book-Entry System in the name of Euroclear Finland, where the shares in Bergslagets Skogar to be issued as Demerger Consideration to Finnish Shareholders will be delivered.

Euroclear Sweden refers to Euroclear Nordics AB.

Finnish Book-Entry System refers to the Finnish book-entry system maintained by Euroclear Finland.

Finnish Record Date refers to the applicable Demerger Record Date with respect to Finnish Shareholders.

Finnish Registration Day refers to a registration day as defined in Euroclear Finland's rules in force at the Effective Date.

Finnish Shareholders refers to shareholders of Stora Enso holding their shares in the Finnish Book-Entry System.

Framework Agreement refers to an agreement between a subsidiary of Stora Enso, Stora Kopparbergs Bergslags AB, the ownership of which will transfer to Bergslagets Skogar through the Demerger, and Stiftelsen Stora Kopparberget, governing, among other things, certain environmental indemnifications and obligations related to the Falun copper mine site.

FSC refers to Forest Stewardship Council.

GDPR refers to Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).

Group Company refers to a subsidiary within the group of which Bergslagets Skogar will be the parent company.

IFRS or **IFRS Accounting Standards** refers to IFRS Accounting Standards, as adopted by the EU.

IRS refers to the U.S. Internal Revenue Service.

Information Brochure refers to this information brochure.

Market Study refers to a report completed by Bain & Company. The Market Study was completed on 5 June 2026, updated on 30 September 2026, and was commissioned and paid for by Stora Enso.

Modeled Biodiversity Improvement refers to Bergslagets Skogar's measurement of modeled changes in habitat conditions for selected, red-listed species within the Company's forests, used to track progress against the Company's biodiversity ambition. The measurement is based on the Species Threat Abatement and Restoration ("STAR") metric, a science-based methodology linking forest management scenarios to species' extinction risk.

m^3fo refers to forest cubic meters.

m^3 sk refers to volume including bark.

m^3 sub refers to volume under bark ("solid under bark").

Nasdaq Helsinki refers to the regulated market of Nasdaq Helsinki Oy.

Nasdaq Stockholm refers to the regulated market of Nasdaq Stockholm AB.

PEFC refers to Programme for the Endorsement of Forest Certification.

PFIC refers to a "passive foreign investment company" for U.S. federal income tax purposes.

Prospectus Regulation refers to Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended.

SEC refers to the U.S. Securities and Exchange Commission.

SEK refers to Swedish kronor.

Stora Enso refers to Stora Enso Oyj, business ID 1039050-8.

Stora Enso Group refers to Stora Enso and its subsidiaries either prior to or after the completion of the Demerger, as the context may require.

Stora Enso Shares refers to, for purposes of the discussion under the section "*Tax considerations – Certain U.S. federal income tax considerations*", Stora Enso shares and Stora Enso ADSs.

Sustainable forest management refers to forest management practices that are certified under internationally recognized standards, such as FSC and PEFC, and that are designed to maintain the long-term productivity, biodiversity and climate resilience of the forest estate, as described in the section "*Description of Bergslagets Skogar – Sustainability and ESG*".

Swedish Book-Entry System refers to the Swedish book-entry system maintained by Euroclear Sweden.

Swedish Forest Assets Business refers to Stora Enso's Swedish forest assets business, comprising the ownership, management and development of Stora Enso's forest land and related forestry operations in Sweden, production of color and color pigments, and management of renewable energy projects.

Swedish Record Date refers to the applicable Demerger Record Date with respect to Swedish Shareholders.

Swedish Shareholders refers to shareholders of Stora Enso holding their shares in the Swedish Book-Entry System.

USD refers to U.S. dollars.

U.S. Exchange Act refers to the United States Securities Exchange Act of 1934, as amended.

U.S.-Finland Treaty refers to the Convention Between the Government of the United States of America and the Government of the Republic of Finland for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and on Capital.

U.S. Securities Act refers to the United States Securities Act of 1933, as amended.

U.S.-Sweden Treaty refers to the Convention Between the Government of the United States of America and the Government of Sweden for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income.

U.S. Tax Code refers to the U.S. Internal Revenue Code of 1986, as amended.

WSA refers to the long-term wood sales agreement entered into between Bergslagets Skogar and Stora Enso.

Frequently asked questions and answers

What is the rationale for separating the Swedish Forest Assets Business from the Stora Enso Group through the Demerger?

The Board of Directors and management of Stora Enso believe that the Demerger would be the best alternative to unlock the full potential of the Swedish Forest Assets Business, enabling enhanced focus on core strengths and market opportunities. The separation also aims at positioning Bergslagets Skogar for additional long-term opportunities of incremental value creation through, among other things, advanced forest management and land holding value optimization. The separation of the Swedish Forest Assets Business follows Stora Enso's stronger focus on renewable materials and packaging, with the aim to unlock the full potential of both the Swedish Forest Assets Business and Stora Enso's core packaging business, optimize capital allocation, reduce group complexity, and enable enhanced focus on the respective companies' core strengths and market opportunities, with the aim to accelerate value creation for shareholders, while providing an opportunity for current and new shareholders to invest directly in Bergslagets Skogar and Stora Enso.

How many shares in Bergslagets Skogar will I receive as a result of the Demerger?

The shareholders of Stora Enso will receive as Demerger Consideration one (1) new share of the corresponding share class in Bergslagets Skogar for each share owned in Stora Enso, i.e., the Demerger Consideration shall be issued to the shareholders of Stora Enso in proportion to their existing shareholding in Stora Enso with a ratio of 1:1 per share class where each share of class A in Stora Enso entitles to a new share of class A in Bergslagets Skogar and each share of class R in Stora Enso entitles to a new share of class B in Bergslagets Skogar.

Do I need to take any actions in order to receive the Demerger Consideration?

The Demerger Consideration will be distributed automatically, and no separate action is required from shareholders of Stora Enso to receive the Demerger Consideration.

Will there be costs for the shareholders of Stora Enso for receiving the Demerger Consideration Shares?

Stora Enso does not charge any fees from shareholders in connection with the Demerger. However, the account operators or brokers used by shareholders may charge fees related to the maintenance of book-entry accounts or the custody of shares.

When is the record date for the right to receive Demerger Consideration?

The record date is to be set in connection with the completion of the Demerger pursuant to the rules and procedures applied by Euroclear Sweden and Euroclear Finland.

Assuming that the Demerger is completed on the planned Effective Date on 31 March 2027, the Demerger Record Date with respect to Finnish Shareholders is estimated to be on or around 31 March 2027 and on or around 2 April 2027 for Swedish Shareholders.

The first day of trading in the shares of Bergslagets Skogar is estimated to be on or around 5 April 2027 on both Nasdaq Stockholm and Nasdaq Helsinki.

What will be the last day to purchase Stora Enso shares if I want to receive Bergslagets Skogar shares?

In accordance with the rules and procedures applied by Euroclear Sweden and Euroclear Finland as at the date of this Information Brochure, assuming that the Demerger is completed on the planned Effective Date on 31 March 2027, the last day of trading in Stora Enso's shares including the right to receive Demerger Consideration, is estimated to be on or around 31 March 2027, both on Nasdaq Stockholm and Nasdaq Helsinki.

What will be the first trading day for Stora Enso shares without a right to Bergslagets Skogar shares?

In accordance with the rules and procedures applied by Euroclear Sweden and Euroclear Finland as at the date of this Information Brochure, assuming that the Demerger is completed on the planned Effective Date on 31 March 2027, the shares of Stora Enso are estimated to be traded excluding the right to receive Demerger Consideration from on or around 1 April 2027, both on Nasdaq Stockholm and Nasdaq Helsinki.

When will shareholders receive the Bergslagets Skogar shares as Demerger Consideration?

In accordance with the rules and procedures applied by Euroclear Sweden and Euroclear Finland as at the date of this Information Brochure, assuming that the Demerger is completed on the planned Effective Date on 31 March 2027, shares in Bergslagets Skogar issued as Demerger Consideration are expected to be delivered to shareholders of Stora Enso as follows:

- To Finnish Shareholders on or around 1 April 2027 (in the form of so-called link securities representing the shares in Bergslagets Skogar, with a ratio of 1:1 per share class); and
- To Swedish Shareholders on or around 5 April 2027.

If I hold my Stora Enso shares in Euroclear Finland, why do I receive link securities?

As at the date of this Information Brochure, the shares in Bergslagets Skogar to be issued as Demerger Consideration to Finnish Shareholders cannot due to technical reasons be delivered directly to book-entry accounts in Euroclear Finland's system.

To facilitate the technical delivery of the Demerger Consideration to Finnish Shareholders, their shares in Bergslagets Skogar will be delivered to the Euroclear Finland Nominee Account. Euroclear Finland will act as a nominee in the Swedish Book-Entry System on behalf of the Finnish Shareholders.

As part of this arrangement, the Demerger Consideration will be delivered to Finnish Shareholders in the form of so-called link securities recorded on the book-entry accounts of the Finnish Shareholders, with such link securities representing the shares in Bergslagets Skogar (with a ratio of 1:1 per share class) issued in the Swedish Book-Entry System that are held on the Euroclear Finland Nominee Account.

What happens to existing Stora Enso shares in the Demerger?

The Demerger will not impact the number of shares or shareholdings in Stora Enso.

When will a prospectus be published?

Bergslagets Skogar will prepare and publish a prospectus in accordance with the Prospectus Regulation prior to the admission to trading of the Company's shares.

Will the Demerger cause any tax consequences for shareholders?

Stora Enso has obtained a binding statement from the Finnish Tax Administration confirming that the Demerger will be tax neutral under Section 52c of the Finnish Business Income Tax Act. This means that no income tax consequences are triggered for Stora Enso's shareholders who are tax resident in Finland as a result of the Demerger and the allocation of the Demerger Consideration Shares.

It is also expected that the allocation of the Demerger Consideration Shares to the shareholders of Stora Enso should be treated as consideration received in a partial demerger (Sw. *partiell fission*) for Swedish tax purposes. The Swedish Council for Advance Tax Rulings has on 11 September 2026 issued an advance ruling confirming that the transaction qualifies as a partial demerger in accordance with the Swedish Income Tax Act and that the allocation of the Demerger Consideration Shares would therefore not trigger immediate taxation for Swedish tax resident shareholders. The Swedish Tax Agency has appealed the ruling to the Swedish Supreme Administrative Court. The ruling from the Swedish Supreme Administrative Court is expected during the first or second quarter of 2027. Stora Enso maintains its position on tax neutrality (i.e., no immediate taxation for the Swedish tax resident shareholders) as confirmed in the ruling issued by the Swedish Council for Advance Tax Rulings. In the event that the Swedish Supreme Administrative Court would determine that the partial demerger is not tax neutral, the allocation of the Demerger Consideration Shares should primarily have tax implications for individuals that are subject to unlimited tax liability in Sweden holding their Stora Enso shares through a securities account (Sw. *värdepapperskonto/depå*), as well as Swedish tax resident companies subject to capital taxation holding less than 10 percent of votes and capital in Stora Enso. These shareholders would be taxed on the value of the allocated Demerger Consideration Shares as dividend. Please note that a shareholder holding its Stora Enso shares in an investment savings account (Sw. *investeringssparkonto*) should not be subject to immediate taxation.

No Swedish withholding tax should be levied on the allocation of Demerger Consideration Shares to Stora Enso's shareholders.

Generally, all shareholders' personal tax treatment may vary depending on, for example, their country of residence, tax status and ownership structure. Shareholders are advised to consult their own tax advisor or local tax authorities in order to clarify impacts of the Demerger on their personal taxation.

How will the acquisition cost of Stora Enso and Bergslagets Skogar shares be determined for tax purposes after the Demerger?

Finnish shareholders

After the Demerger, the original acquisition cost of Stora Enso shares will be allocated between the Stora Enso shares and the Bergslagets Skogar shares for Finnish income tax purposes. According to the current legislation in 2026, the original acquisition cost of existing Stora Enso shares is split between Stora Enso and Bergslagets Skogar in Finnish income taxation primarily in accordance with the net assets of the respective companies: the acquisition cost of the shares in the demerging company is the share of the total acquisition cost that corresponds to the share of net assets remaining in the demerging company. The receiving company's share of the acquisition cost is the share of the total acquisition cost that corresponds to the share of net assets transferred to the receiving company. In addition, fair values have been utilized as the basis for dividing the acquisition cost if it has been apparent that the ratio of the net assets remaining and transferring to the demerging and receiving companies differs materially from the ratio of the fair values of the shares of these companies. Based on case law, a deviation of at least 20 percent from the ratio of fair values has generally been considered material. A government proposal has been submitted to the Finnish parliament for adoption according to which fair values would always be used in dividing the acquisition cost of shares in the demerger of listed companies. If the proposal is adopted, the new provision would come into force as of 1 January 2027 and therefore apply to the Demerger.[1)] Stora Enso will request a confirmation in the form of specific guidelines

1) The fair value would be determined by the weighted average price at the listing date or, alternatively, the corresponding average price over the first five trading days, if considered to be more accurate.

from the Finnish Tax Administration on how the acquisition cost is to be split, and these guidelines will be published on the websites of Stora Enso, Bergslagets Skogar, and the Finnish Tax Administration.

Generally, all shareholders' personal tax treatment may vary depending on, for example, their country of residence, tax status and ownership structure. Shareholders are advised to consult their own tax advisor or local tax authorities in order to clarify impacts of the Demerger on their personal taxation.

Swedish shareholders

In a partial demerger, the allocation of the tax basis in the shares in the demerging company (Stora Enso) to the shares in the newly established company (Bergslagets Skogar) is based on the change in value of the shares in the demerging company due to the Demerger.

Stora Enso also intends to request general guidelines from the Swedish Tax Agency (Sw. *Skatteverket*) concerning how this tax basis should be allocated and these guidelines would be published on the websites of Stora Enso, Bergslagets Skogar, and the Swedish Tax Agency as soon as possible.

Generally, all shareholders' personal tax treatment may vary depending on, for example, their country of residence, tax status and ownership structure. Shareholders are advised to consult their own tax advisor or local tax authorities in order to clarify impacts of the Demerger on their personal taxation.

Other shareholders

Shareholders who are tax resident in other countries are advised to consult their own tax advisor or local tax authorities regarding the determination of the acquisition cost of the shares for income tax purposes after the partial demerger.

Will there be any Swedish withholding tax on dividends received from Bergslagets Skogar?

Finnish shareholders

Private individuals

According to the Nordic tax treaty, Sweden has the right to tax the dividend income at source at a rate of 15 percent received by Finnish shareholders from Bergslagets Skogar. Finland should credit the tax at source amount paid in Sweden from the tax payable in Finland to avoid double taxation. The tax credit must be requested in writing from the Finnish Tax Administration by the taxpayer before the end of the tax assessment in the given year or, after that, by applying for a claim for adjustment before three years have elapsed from the beginning of the calendar year following the tax assessment. If no full credit is possible during the tax year in Finland for taxes paid to a foreign country because the amount of the foreign tax is higher than the maximum credit for the tax year, the uncredited amount may be credited during the next five tax years from the taxes imposed on income derived from the same income source and category.

The Finnish Tax Administration should get information on dividend payments through international information exchange, however, the taxpayer is obliged to correct and complete all information on their income tax return if there are deficiencies or errors. If the information is not automatically transferred to the tax return, the taxpayer should report it at their own initiative.

Generally, all shareholders' personal tax treatment may vary depending on, for example, their country of residence, tax status and ownership structure. Shareholders are advised to consult their own tax advisor or local tax authorities in order to clarify impacts of the Demerger on their personal taxation.

Finnish limited liability companies

According to the Nordic tax treaty, Sweden has the right to tax 15 percent of the dividend income received by Finnish shareholders from Bergslagets Skogar. Dividend income is exempted from tax in Sweden if the owner of the dividend income is a company that immediately owns at least 10 percent of the capital of the company paying the dividend.

The company must request a credit of the foreign tax in writing from the Finnish Tax Administration during tax assessment or, after that, by applying for a claim for adjustment before three years have elapsed from the beginning of the calendar year following the tax assessment. If no full credit is possible during the tax year in Finland for taxes paid to a foreign country because the amount of the foreign tax is higher than the maximum credit for the tax year, the uncredited amount may be credited during the next five tax years from the taxes imposed on income derived from the same income source and category. Finland may credit the amount paid in Sweden from the Finnish withholding to avoid double taxation. Foreign tax is not refunded or credited automatically on the initiative of the Finnish tax authorities. The request must include a statement of the amount and basis of payment of the foreign tax, as well as that the foreign tax has been paid, as well as other information necessary for granting the credit.

Generally, all shareholders' personal tax treatment may vary depending on, for example, their country of residence, tax status and ownership structure. Shareholders are advised to consult their own tax advisor or local tax authorities in order to clarify impacts of the Demerger on their personal taxation.

Other shareholders

Dividend distributions will generally be subject to Swedish withholding tax. The withholding tax rate is 30 percent but is often reduced for shareholders who are tax residents in countries with which Sweden has entered into a tax treaty. Generally, all shareholders' personal tax treatment may vary depending on, for example, their country of residence, tax status and ownership structure. Shareholders are advised to consult their own tax advisor or local tax authorities in order to clarify impacts of dividends on their personal taxation.



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