

Södra's interim report

1 July–30 September 2025

- » Net sales amounted to SEK 6,349 million (6,944).
- » Operating profit before depreciation, amortisation and impairment amounted to SEK 50 million (1,316).
- » Operating loss totalled SEK 360 million (profit: 937).
- » The operating margin was –6 percent (13).
- » Cash flow after investments was SEK 444 million (105).

Key indicators	2025 Jul–Sep	2024 Jul–Sep	2025 Jan–Sep	2024 Jan–Sep	2024 Jan–Dec
Net sales, SEK million	6,349	6,944	21,696	22,084	29,487
Operating profit before depreciation, amortisation and impairment, SEK million	50	1,316	901	3,032	4,155
Operating profit/loss, SEK million	–360	937	–310	1,903	2,630
EBITDA margin	1%	19%	4%	14%	14%
Operating margin	–6%	13%	–1%	9%	9%
Return on capital employed ¹⁾	—	—	2%	9%	10%
Equity ratio	—	—	57%	61%	62%
Cash flow after investments, SEK million	444	105	–243	1,266	1,820
No. of members	—	—	52,307	52,161	52,116
Affiliated forest area, million hectares	—	—	2.85	2.83	2.83
Average no. of employees	3,316	3,258	3,236	3,199	3,195
No. of employees	3,675	3,681	3,575	3,572	3,525
Fossil emissions in the value chain ²⁾ , Mt CO ₂ eq	—	—	—	—	2.5
Lost time accidents (LTA) 3), no.	9	12	30	33	44
Lost time accident rate (LTAR) ⁴⁾	8	11	8	8	8

¹⁾ As of the current financial year, average capital employed is calculated on the basis of the current and previous four quarters.

Adjusted operating profit is calculated on the current and previous three quarters. Comparative figures for previous periods have been restated.

²⁾ CO₂eq=carbon dioxide equivalents. This key indicator is calculated on an annual basis.

³⁾ LTA (lost time accident): occupational injury with absence.

⁴⁾ LTAR (lost time accident rate): number of occupational injuries with absence per million hours worked.

This is a translation of the interim report. This translation does not replace the original report. In the event of any lack of clarity or disparity between this translation and the interim report, the interim report will always take precedence.

The quarter in figures

Some of our most important figures and key indicators for the third quarter of 2025.

LTAR | Number of occupational injuries
with absence per million hours worked

8

SEK billion | Net sales

6.3

SEK billion | Operating profit

-0.4

% | Return on capital employed

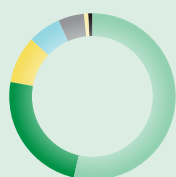
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% | Equity ratio

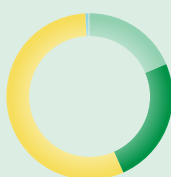
57

million hectares | Affiliated forest area

2.85



Net sales per revenue category.
SEK 6,349 million in total, excluding
internal deliveries.



Net sales per business area.
SEK 6,349 million in total, excluding internal
deliveries. Södra Bioproducts is included
in Södra Skog, Södra Wood and Södra Cell
in the amount of SEK 674 million.



Average no. of employees per
business area, 3,316 in total.
Södra Bioproducts' employees are
included under Södra Cell.

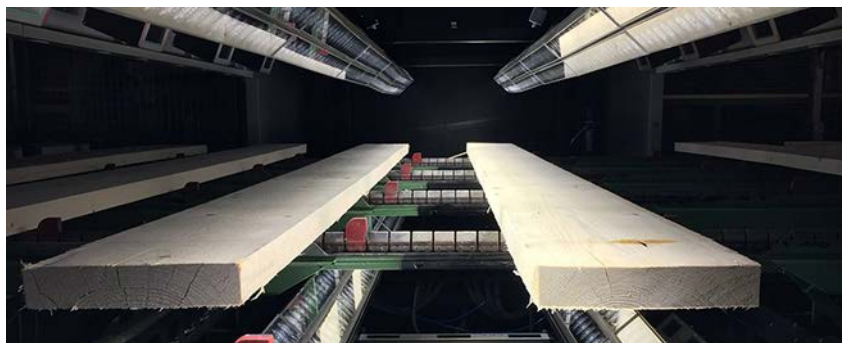
A few highlights from the past quarter to show how we are increasing member value and strengthening the Södra brand, always with our mission in focus – to refine and renew family forestry.

The quarter in brief



Södraklivet to boost competitiveness

Rapid currency fluctuations, lower demand for our products due to geopolitical uncertainty together with an imbalance between raw material prices and the sales prices of our products are putting pressure on Södra. In response to the current situation, an action programme has been initiated. The programme is called Södraklivet (the Södra leap) and is a concerted effort to restore profitability and boost competitiveness moving forward, while the highest priority remains with health and safety.



Värö sawmill invests in AI-driven scanning technology

An investment in an enhanced scanning solution at the Värö sawmill will enable strength grading of timber with even greater precision. According to Sawmill Manager Kerstin Jonasson, this investment is at the absolute forefront of scanning equipment for sawn and planed wood products and will increase efficiency with improved quality assurance.

“The technology will enable us to maximise the use of each tree and produce competitive products for the market,” she said.



Lower prices for forest raw materials

In September, Södra lowered its prices on several product ranges due to the market situation with a large supply of fuel wood and pulpwood. However, wood prices remain at a historically high level and are competitive.

Prices were reduced for the following product ranges:

- » Forest residue and tree parts: –20 SEK/m³s (230 SEK/m³s)
- » Firewood: –60 SEK/m³sub (440 SEK/m³sub)
- » Hardwood pulp: –50 SEK/m³sub (615 SEK/m³sub)
- » Softwood pulp: –30 SEK/m³sub (645 SEK/m³sub)



Gothenburg's tallest timber building built with CLT from Södra

Södra is supplying 22,000 m² of cross-laminated timber (CLT), together with Hybridge, to the Kaj 16 construction project in Gothenburg. The building, which at 78 metres will be the tallest timber-framed building in the city, has a focus on sustainability and recycling and is aiming to achieve a LEED Platinum environmental certification. Kaj 16 is expected to be completed in 2027.

“We are very proud that we can contribute to Gothenburg’s new landmark by delivering our renewable and locally produced CLT. The timber acts as a carbon sink throughout the building’s entire life cycle,” said Andreas Berge, Business Area President Södra Building Systems.



Major forward-looking investment in Kinda sawmill

The Board of Directors has decided to invest more than a billion SEK in the sawmill in Kinda – for forest estates, the community and the climate. The decision, which represents one of the largest investments in the association’s sawmill history, is a clear indication of the long-term strategy – to make more from every tree and strengthen the competitiveness of family forestry.

“This is an initiative where we continue to strengthen our position in a location close to both raw materials and the market. The alternative would have been to close the sawmill, but we choose to invest for the future,” said Lotta Lyrå, President and CEO of Södra.



First electric wood chip truck goes into operation

In September, our first electric wood chip truck was put into operation. The truck will operate in Småland and Blekinge and can be charged at several of Södra’s mills. The wood chip truck is one of the test pilots in the TREE project coordinated by the Forestry Research Institute of Sweden (Skogforsk). The pilots aim to evaluate the challenges and opportunities of electric transportation in the forest industry.



Södra at the forefront of industrial AI

The international research project ExplAI, in which Södra has participated for three years, has been awarded the prestigious ITEA Award of Excellence 2025 in the Innovation category. The award was presented at a ceremony in Portugal and recognises the project’s groundbreaking work in developing explainable AI (XAI) for the process industry.

The advanced AI solution can be used to predict what will happen in the cooking process – a crucial step for improving stability and pulp grade. By using AI to analyse process data and present it through methods developed within ExplAI, it is possible to obtain earlier warnings and deeper insights into the process.



Lotta Lyrå
President & CEO

Continued challenging situation and forward-looking initiatives

For Södra, the market in the third quarter continued to be dominated by low demand and pricing in virtually all product areas due to the uncertainty in our business environment. The recovery from the rapid currency fluctuations in the spring is taking time and together with the continued imbalance between the market for raw materials and the markets for our products, this is having an overall negative impact on profitability and earnings. This situation reinforces the need for the action programme that was intensified during the third quarter. However, we already expect the economic situation to impact profitability into next year.

Södra's operating loss for the third quarter was SEK 360 million. The change in earnings compared with the year-earlier period was partly due to exchange rate effects of approximately SEK 380 million together with the price trend for Södra's core products as well as higher raw material costs of approximately SEK 470 million. Sales for the quarter amounted to SEK 6,349 million. Return on capital employed was 2 percent, and the equity ratio was 57 percent.

After the end of the quarter, we reached a business agreement regarding Södra's forest holdings in the Baltics. The purchaser is Ingka Investments and the transaction amounts to EUR 720 million, equivalent to approximately SEK 8 billion. The transaction is now subject to a competition review and approval by local authorities. The holding in the Baltics has been a good financial investment for Södra, and when the divestment is finalised it will further support our long-term competitiveness. Södra still stands on a strong financial foundation, but the need for adjustments and improvements remains.

Major impact on the market for our products

The market for Södra's products is being affected by the recession, turbulence caused by international trade tariffs and an imbalance between the market for raw materials and the markets for our products.

During the quarter, the pulp business was mainly affected by weakening demand in Europe, which resulted in increased volumes to Asia at lower profitability. A surplus of both softwood and hardwood pulp in the market has also led to price pressure. Sawn timber is suffering from weak demand, which has caused a slight price decline in some of our key markets. The market is experiencing great uncertainty and the entire industry is under pressure, which is reflected in production adjustments by competitors. Our CLT business has grown but was impeded by an unplanned production interruption, which also negatively impacted earnings for the quarter. Production has been restored and the order book indicates significant growth moving forward. The market for energy products has noted seasonal delivery volumes in line with last year. The market for biomethanol and turpentine is strong, and tall oil is growing but from a low level. Demand for dissolving pulp is good, albeit in a fragile market affected by turbulence surrounding tariffs. In relation to raw materials, the market is affected by an imbalance between the product ranges caused by the global situation. Demand for some ranges remains favourable while others have noted a decline. As a result, during the quarter we reduced the price level for pulpwood and energy ranges.

Action programme to strengthen profitability

We can look back on the third quarter as a period in which we needed to continue to work hard. This is why we are actively working with Södraklivet, the action programme that encompasses all areas that we ourselves can influence. It aims to strengthen our profitability and competitiveness – in both the long and short term. This is a transitional journey aimed at making Södra better. It is founded on our primary mission – working safely or not at all – putting even more effort into reducing the number of accidents in our operations. We will also take

steps to improve our capabilities in terms of new working methods and to increase the pace of digitisation and implementation of AI. In parallel, major cost reductions, efficiency enhancements and prioritisations are needed to generate an improvement in earnings of at least SEK 1 billion. One component is the reduction in consultancy costs equivalent to 100 positions and the notice given to 200 employees in early October. In the quarter, the work on World-class Efficiency delivered SEK 146 million and since the beginning of the year SEK 341 million, an important contribution to our goal and the effect of intensified efforts. Together, all these actions will result in greater efficiency, a stronger offering and lower overheads moving forward.

Södra's mission is to provide good conditions for current and future members. That is why we work with both short-term measures and long-term initiatives. The investment in the sawmill in Kinda is one example of a forward-looking investment and one of the largest investments in Södra's sawmill industry. Timber is a linchpin of the profitability of forest estates and the investment in Kinda will optimise our sawmill business as a whole, which benefits all of Södra and strengthens our capacity to pay for the raw material. There is no contradiction in cutting costs and reprioritising at the same time as we are investing in other areas. On the contrary, we are our own wallet and need to be profitable in order to invest in the future. We are addressing today's challenges while keeping our eyes on the horizon.

A balance between short-term and long-term

And this balance, between the short-term and the long-term, is important for Södra's development. We have an economic model based on endurance over time, not by quarter or year. A model that stands on two legs – the profitability of forest estates and industrial operations – and requires financial stability and a good equity ratio over time. Södra meets these requirements, with an average equity ratio of 62 percent and an average return on capital employed of 16 percent over the past five years. But the model also enables us to distinguish between enterprise and profit distribution. An enterprise should stand on its own merits with a marked-based price for the raw material, without speculating about future profit distribution. This fundamental security in Södra's business model is important, not least now when profitability in industrial operations is under pressure. That is also why we continue to develop our business forms and member offer to forest owners. We must be a secure and stable business partner for forest estates.

On the other hand, profit distribution is based on the value added by industrial operations, proposed by the Board of Directors and resolved jointly by the Annual General Meeting. With three quarters of the year behind us, we can see that – despite a comprehensive action programme – the economic situation is impacting profitability in industrial operations to such an extent that the results will not match those of recent years. When Södra is performing favourably, there is more to distribute. When things are tough, the situation is the opposite. But over time, safeguarding Södra's financial stability and gradually realising our strategy of making more from every tree will mean the forest estate can be refined and renewed. As stated in Södra's mission.

The period in brief

Operating loss for the quarter totalled SEK 360 million, compared with a profit of SEK 937 million in the year-earlier period. Sales declined 9 percent to SEK 6,349 million (6,944). Return on capital employed was 2 percent (9) and the equity ratio was 57 percent (61).

Market conditions

The global economy continued to be impacted by geopolitical tensions and uncertainty, affecting development for both companies and households. Economic developments remained subdued and global growth was below normal. US trade policy continued to be marked by sharp turns, clearly impacting global trade patterns, not least trade between China and the US, which fell rapidly.

Growth slowed in the US and the labour market weakened. Fewer new jobs were created and unemployment increased slightly. Inflation picked up and rising prices were partly due to higher tariffs that made goods more expensive.

The eurozone reported slow economic growth. Investments and exports declined, likely linked to global trade policy. In contrast to the US, European inflation was near its target. This was partly due to lower US demand for European goods, and also to the increased supply of goods on international markets that were not imported to the same extent due to the US tariff increases.

To date this year, the Swedish economy has reported a weak performance. Household consumption increased somewhat recently but in a longer-term perspective remains low. The labour market continued to weaken, resulting in a sustained high level of unemployment.

Compared with the preceding quarter, the SEK strengthened against the USD and GBP in the third quarter, but weakened against the EUR. Year-on-year, the SEK was stronger than average against the USD, EUR and GBP.

Wood supply

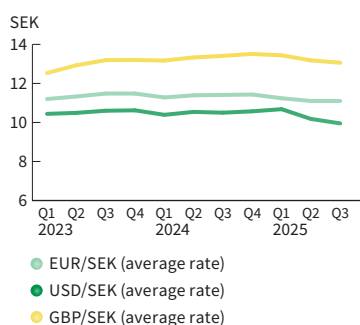
Demand for spruce logs and softwood pulp remained favourable during the quarter, while demand for energy ranges was weak. Forest production was in line with the year-earlier period. Deliveries were seasonally lower than normal, mainly due to lower orders from sawmills and a build-up of roadside stocks to meet delivery needs during the fourth quarter. Raw material supplies were slightly higher compared with the year-on-year period – competition for wood raw material remained high though declining.

Wood products market

The sawn timber market was characterised by oversupply in the UK and the US, which put pressure on price levels in these markets. However, prices began to recover slightly in the German and Central European markets, mainly driven by a lack of supply. The market remained stable in the Netherlands.

The building materials trade in Sweden showed a weak performance, while industrial operations showed some recovery. In Asia, market movements were small and market develop-

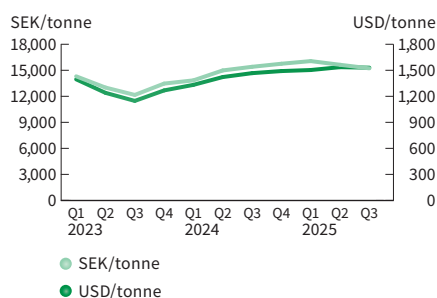
Foreign exchange rates



The diagram shows the annual average exchange rate.

Source: ECB

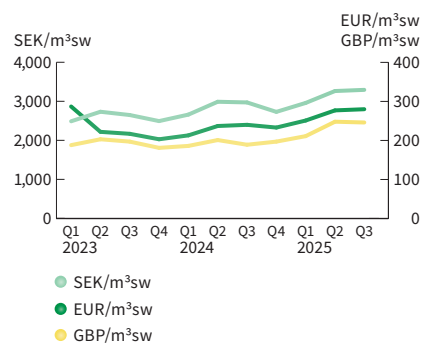
Delivery prices for bleached softwood sulphate pulp



The price of bleached softwood sulphate pulp in USD rose during the quarter. The diagram shows the average prices for softwood sulphate pulp delivered to European customers.

Source: FOEX PIX and Södra

Delivery prices for sawn timber



The diagram shows delivery prices for sawn timber in the most important currencies.

Source: Södra

ment in China remained difficult to predict. Delivery volumes were lower than in the year-earlier period.

The CLT market remains challenging, though with a delayed recovery in the housing segment. The proportion of new buildings with wooden frames has risen steadily in recent years and inquiries are increasing.

Paper pulp market

The economy remained weak as did demand for paper and board. In combination with the holiday period in Europe, this led to weak demand for paper pulp during the third quarter. Paper pulp prices in USD rose slightly in all markets, but developments moving forward are uncertain. The geopolitical situation has led to uncertainty regarding paper pulp flows, not least to and from the US.

Södra's inventory level increased slightly during the quarter. Delivery volumes were higher than in the year-earlier period and the share of deliveries to Asia increased. Production of softwood pulp and hardwood pulp was slightly lower compared with the year-earlier period, but production of dissolving pulp was in line with the preceding year.

Energy products market

Demand for the energy products of district heating and fuels was seasonally low due to warm weather conditions. This resulted in relatively low delivery volumes, similar to the

corresponding quarter last year. The market for biomethanol and turpentine was strong, and tall oil is growing but from a low level.

For dissolving pulp, demand was very good and prices rose during the quarter. The market is fragile due to the large supply of pulp and the turbulence related to tariffs. Electricity generation was low during the quarter.

Net sales

During the quarter, consolidated net sales amounted to SEK 6,349 million (6,944), down 9 percent. The negative sales trend for the quarter was mainly due to negative exchange rate effects.

Net sales for the first nine months of the year amounted to SEK 21,696 million (22,084), down 2 percent.

Result

Operating loss for the quarter totalled SEK 360 million (profit: 937), representing an operating margin of -6 percent (13). Loss before tax was SEK 340 million (profit: 940). Tax income for the period was SEK 12 million (expense: 133). The operating loss for the quarter was burdened by negative exchange rate effects and the price development of mainly softwood pulp.

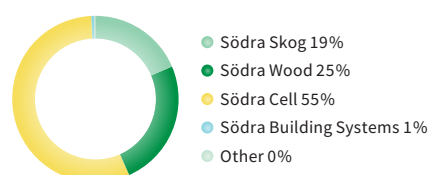
Operating loss for the first nine months of the year totalled SEK 310 million (profit: 1,903). Return on capital employed was 2 percent (9).

BUSINESS AREAS

SEK MILLION	Net sales					Operating profit/loss				
	2025 Jul-Sep	2024 Jul-Sep	2025 Jan-Sep	2024 Jan-Sep	2024 Jan-Dec	2025 Jul-Sep	2024 Jul-Sep	2025 Jan-Sep	2024 Jan-Sep	2024 Jan-Dec
Södra Skog	1,196	1,359	4,879	4,812	6,817	-32	-9	8	23	513
Södra Wood	1,568	1,482	5,135	4,794	6,258	-103	-16	-85	77	23
Södra Cell	3,533	4,056	11,462	12,241	16,121	-80	1,051	237	2,211	2,867
Södra Building Systems	41	40	161	177	207	-51	-27	-133	-92	-157
Other	11	7	59	60	84	-94	-62	-337	-316	-616
Group	6,349	6,944	21,696	22,084	29,487	-360	937	-310	1,903	2,630

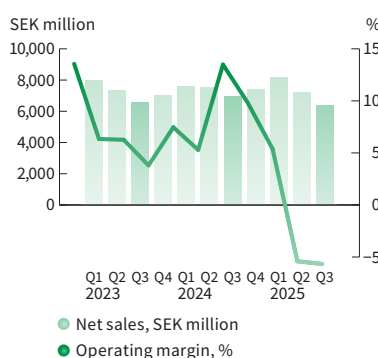
Södra Bioproducts' revenue of SEK 674 million (760) for the quarter, and SEK 3,818 million for the preceding full-year is included in Södra Skog, Södra Wood and Södra Cell.

Sales per business area

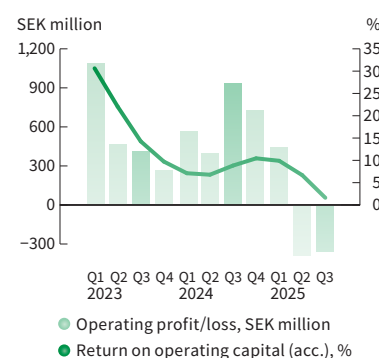


SEK 6,349 million in total, excluding internal deliveries. Södra Bioproducts is included in Södra Skog, Södra Wood and Södra Cell in the amount of SEK 674 million.

Net sales and operating margin



Operating profit/loss and return on capital employed



Södra's financial target is a minimum long-term return of 10 percent on capital employed.

Business areas

Södra is a forest industry group that offers forestry services, sawn timber, timber building systems, energy, biochemicals and pulp for the pulp market. As of the current financial year, the Group consists of five business areas: Södra Skog, Södra Wood, Södra Cell, Södra Building Systems and Södra Bioproducts.

Södra Innovation was previously reported as a business area and included the operations for timber building systems and research and development. As of this year, the operations for timber building systems are reported in the Södra Building Systems business area, and the remaining operations in Group-wide functions. Comparative figures for previous periods have been restated.

Södra Bioproducts is monitored solely based on turnover and delivered volumes for bioproducts. Sales, costs and results for bioproducts continue to be included in Södra Skog, Södra Wood and Södra Cell.

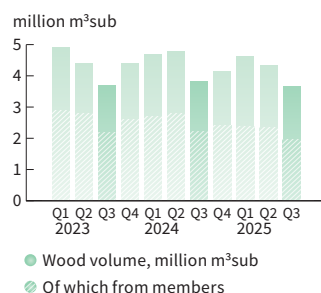
Södra Skog

Södra Skog's operating loss for the quarter totalled SEK 32 million (loss: 9). Sales for the quarter amounted to SEK 1,196 million (1,359), an effect of price increases combined with a lower delivery volume. Demand for all ranges, excluding energy products, was favourable. Outbound deliveries of saw logs, pulpwood and energy products for the quarter was 3.7 million m³sub (3.8).

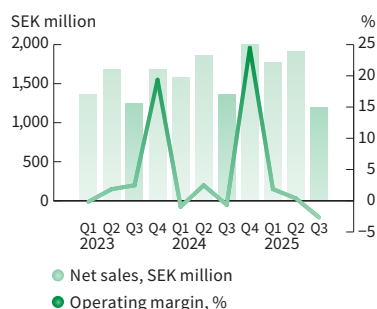
The earnings trend during the quarter was mainly due to declining sales in the energy area. Increased IT and digitisation investments impacted earnings more than in the year-earlier period.

Cumulative sales amounted to SEK 4,879 million (4,812) and operating profit totalled SEK 8 million (23).

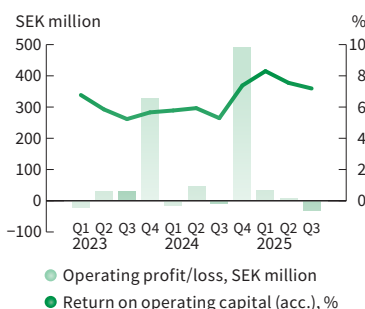
Wood volume



Net sales and operating margin



Operating profit/loss and return on operating capital



Södra Wood

Södra Wood's operating loss for the quarter totalled SEK 103 million (loss: 16). Sales for the quarter amounted to SEK 1,568 million (1,482), an effect of higher delivery prices and lower delivery volumes.

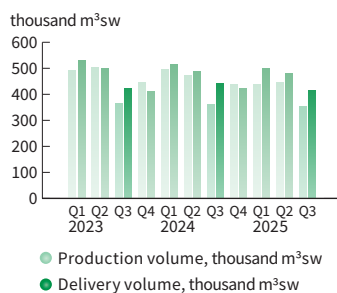
The production volume for the quarter was 354 thousand m³sw, down 7 thousand m³sw compared with the year-earlier period. Outbound deliveries of sawn timber for the quarter

were 418 thousand m³sw, down 25 thousand m³sw compared with the year-earlier period.

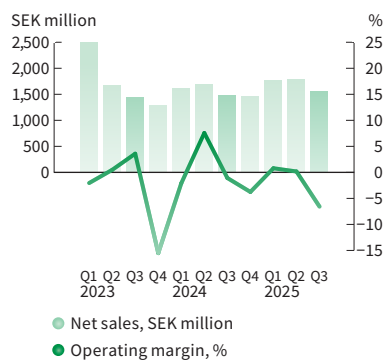
The earnings trend during the quarter was mainly due to significantly higher saw log costs, partly offset by higher delivery prices. Negative exchange-rate effects were also charged to earnings.

Cumulative sales amounted to SEK 5,135 million (4,794) and operating loss totalled SEK 85 million (profit: 77).

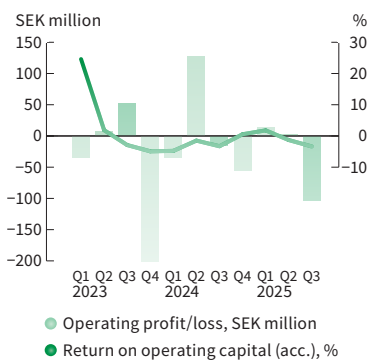
Production and delivery volume, sawn timber



Net sales and operating margin



Operating profit/loss and return on operating capital



Södra Cell

Södra Cell's operating loss for the quarter totalled SEK 80 million (profit: 1,051). Sales for the quarter amounted to SEK 3,533 million (4,056), mainly an effect of an unfavourable trend for SEK/USD.

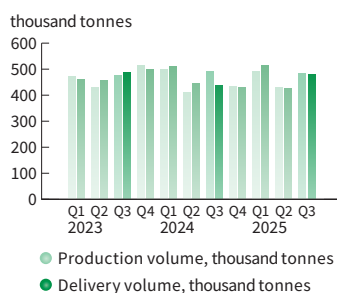
During the quarter, the production volume totalled 484 ktonnes (493), comprising 428 ktonnes (431) of softwood sulphate pulp, 13 ktonnes (20) of hardwood sulphate pulp and 43 ktonnes (43) of dissolving pulp. Outbound deliveries of pulp for the quarter were 480 ktonnes, down 43 ktonnes compared with the year-earlier period.

The earnings trend during the quarter was mainly due to negative exchange rate effects, higher raw material costs as well as an unfavourable geographic mix that has impacted margins.

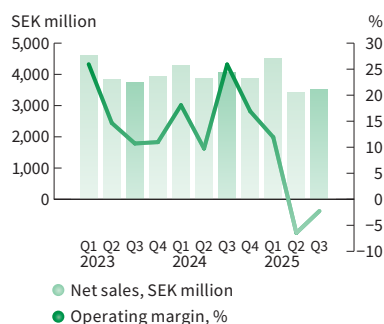
Cumulative sales amounted to SEK 11,462 million (12,241) and operating profit totalled SEK 237 million (2,211).

During the quarter, electricity generated by the pulp mills, wind turbines and the hydropower plant was 366 GWh. Excess electricity amounted to 34 GWh. The excess represented about 9 percent of the generated volume and was sold both within Södra and on the open market.

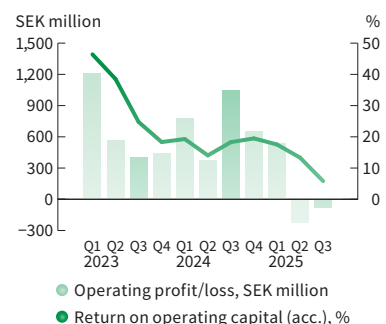
Production and delivery volume, pulp



Net sales and operating margin



Operating profit/loss and return on operating capital



Södra Building Systems

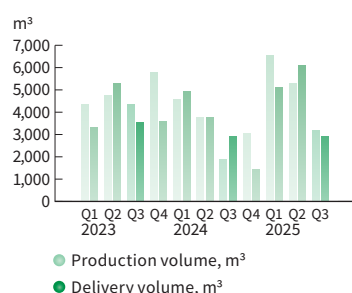
Södra Building Systems' operating loss for the quarter totalled SEK 51 million (loss: 27). Sales for the quarter amounted to SEK 41 million (40), with increased sales of own-produced products and decreased sales of purchased goods.

The production volume for the quarter amounted to 3,201 m³ (1,890). Outbound deliveries of CLT for the quarter amounted to 2,909 m³ (2,947).

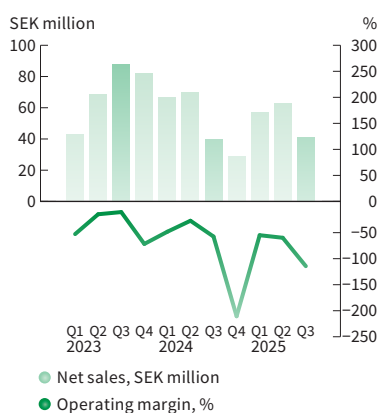
The earnings trend for the quarter was mainly due to an unplanned production interruption in addition to increased depreciation, which were partly offset by a higher gross margin (mix) and good cost control. CLT's share of sales and the order book increased compared with the year-earlier period and the beginning of the year.

Cumulative sales amounted to SEK 161 million (177) and operating loss totalled SEK 133 million (loss: 92).

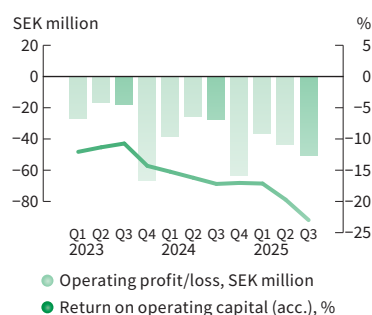
Production and delivery volume, CLT



Net sales and operating margin



Operating profit/loss and return on operating capital



Södra Bioproducts

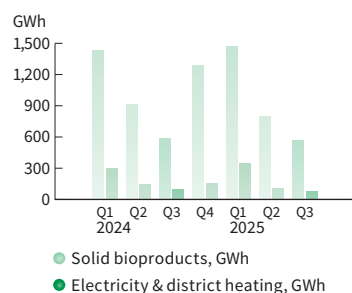
Södra Bioproducts' sales for the quarter amounted to SEK 674 million (760). Sales of solid bioproducts increased despite slightly lower delivery volumes.

Outbound deliveries of dissolving pulp were in line with the preceding year, but price competition burdened income. The electricity business declined during the quarter, both deliveries

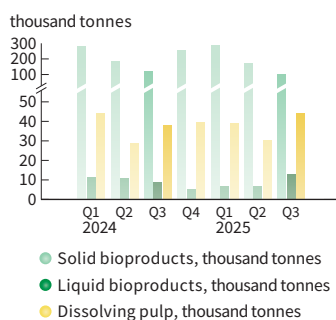
and prices were lower during the period. Outbound deliveries of turpentine and biomethanol increased but tall oil deliveries were lower, which led to a total decline in sales for liquid bioproducts. The district heating business was in line with the year-earlier period.

Cumulative sales amounted to SEK 2,626 million (2,763).

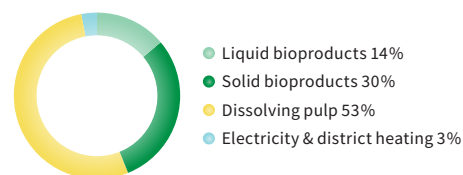
Delivery volume, bioproducts



Delivery volume, bioproducts



Sales of bioproducts



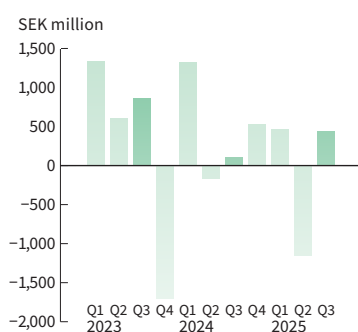
Net financial items

Net financial income for the quarter amounted to SEK 20 million (3).

Cash flow

Cash flow before investments for the quarter was SEK 940 million (670). Cash flow after investments for the quarter was SEK 444 million (105). At the end of the quarter, cash and cash equivalents and current investments amounted to SEK 11,489 million (11,728 at 31 December 2024).

Cash flow after investments



Cash flow after investments was SEK 444 million during the quarter.

Financial position

At 30 September 2025, equity amounted to SEK 25,842 million (27,803 at 31 December 2024) of which paid-up and issued contributed capital accounted for SEK 6,723 million (6,476 at 31 December 2024). Total assets amounted to SEK 45,641 million (45,034 at 31 December 2024). At 30 September 2025, the equity ratio was 57 percent (62 at 31 December 2024).

Södra's borrowing comprised loans of SEK 11,596 million (9,755 at 31 December 2024) from members and a loan of SEK 133 million (200 at 31 December 2024) from the Nordic Investment Bank that matures in April 2026. Södra has a credit agreement in the form of a club agreement, enabling Södra to borrow up to SEK 3,000 million until December 2029. The debt/equity ratio was 0.0 times (-0.1 at 31 December 2024).

Investments, acquisitions and divestments

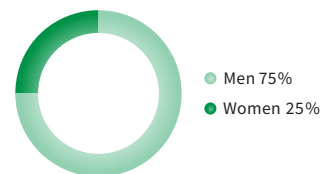
Investments for the quarter totalled SEK 506 million (727), of which SEK 18 million (86) pertained to Södra Skog, SEK 105 million (84) to Södra Wood, SEK 357 million (545) to Södra Cell and SEK 34 million (7) to Södra Building Systems. The investments were mainly focused on productivity and the environment.

Events after the close of the period

In early October, Södra issued redundancy notices for 200 roles. After the close of the period, SLH No 1 Ltd and SLH No 2 Ltd were divested. Södra Silva Holding AB was merged with the Parent Company.

Employees

The average number of employees was 3,236 (3,195 for full-year 2024), of whom 25 percent were women (24).



Future outlook

Inflation was relatively stable and interest rates were cut towards the end of the third quarter. Uncertainty about interest rate developments moving forward has diminished slightly and inflation expectations are relatively stable. Lower interest rates will have a positive effect on economic growth and demand, but from a low level. Electricity prices remained relatively low during the quarter and continued to show more stability than in recent years. However, it is difficult to estimate the long-term trend for prices.

Pulp prices decreased in the third quarter due to lower demand. Seasonally adjusted demand in Europe was lower than in prior years. Looking ahead, the price level in USD is expected to be relatively stable with signs of a slight upward trend. For sawn timber, prices were stable with a slight indication of falling prices. Rising raw material costs and supply that is more in balance with demand will keep prices from falling further. The price trend was similar in the various markets in Europe. Demand is affected by the level of residential construction in the short term and the market remains cautious, but demand for timber construction is on the increase.

During the quarter, the operating result was negatively impacted by a stronger SEK, though prices in USD were relatively stable. There is considerable uncertainty about how demand and pricing will develop in each region in the future. This is in part due to uncertainty in economic trends and the introduction of tariffs that could affect the flow of goods. The long-term outlook for Södra's core products is considered favourable. Global economic growth will bolster the underlying demand for sustainable forest-based products. Tightened emissions-reduction targets are also driving the transition towards a more sustainable bioeconomy.

Sustainability

Sustainability permeates Södra's Group-wide strategy. Key areas are people and culture at the centre, and sustainable use of the forest and earth's resources.

People and culture at the centre

The health and safety of our employees is a top priority. Södra shall offer a safe and secure workplace for employees and contractors, and we have a zero accident vision. The target is a lost time accident rate (LTAR) lower than 6 in 2025, and 2 or less by 2032.

In the third quarter, the number of lost time accidents (LTA) was 9 (12) and the LTAR was 8 (11).

Efforts continued in the third quarter with Södra's guideline for behaviour-based safety. The guideline aims to make behaviour-based safety an integral part of systematic health and safety management.

To increase our focus on health and mental well-being, we continued to ask the OSA question of the month, aimed at initiating a joint discussion about the organisational and social perspectives of the work environment.

The app for lone working – called Tryggve – was developed during the quarter. Tryggve will be available to people who work alone in the forest or spend a lot of time on the road. The app includes a feature to activate a timer for hazardous operations. If the timer is not stopped in time, an alarm including coordinates is sent to the person's emergency contacts.

We are actively working to break down traditional cultural barriers by promoting diversity, equity and inclusion throughout the organisation. Södra's target is that 35 percent of managers will be women by 2028.

In the third quarter, Södra held workshops across the organisation that focused on raising awareness on the issues of diversity, equity and inclusion. As part of our work on LGBTQI inclusion, Pride was celebrated with a lecture on LGBTQI-inclusive work environments at the combined facility in Mönsterås. Södra also took part in Pride parades in Kalmar and Sölvesborg.

As part of work with active measures under the Swedish Discrimination Act, we sent a questionnaire to all employees to investigate the risks of discrimination. The results will be analysed during the next quarter.

Sustainable use of the forest and earth's resources

Sustainable forestry involves increasing the rate of forest growth responsibly, using forests in line with their long-term production capacity, and preserving and promoting the environmental, cultural and social values of forests. Södra's target is that the annual rate of forest growth on its members' estates shall be 20 percent higher in 2050 compared with the base year

of 2015. Key measures for the achievement of this target include effective and active forest management, nutrient recycling, forest tree breeding and damage reduction.

During the third quarter, new statistics from Swedish University of Agricultural Sciences (SLU) were compiled regarding growth on land owned by the members of Södra. The results of the compilation indicate a slight increase in growth year-on-year.

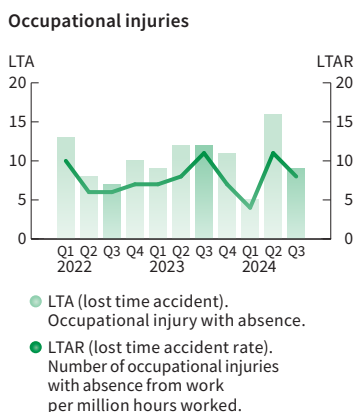
We have had good harvests of pine cones in our seed orchards with the best genetic material, which in the long term will increase growth in future pine forests compared to natural regeneration with seeds from the plant site. During the quarter, the harvest of hybrid larch seeds improved compared to previous periods. Hybrid larch has a high production rate and can therefore contribute to increased growth in the forest.

Södra works to preserve and promote biodiversity – a process under continuous development. The aim is that Södra will pursue a richer biodiversity for future generations. In Götaland, nature-conservation measures (NS) are important for the preservation and promotion of biodiversity. Södra's target for NS measures is an area corresponding to 3,000 hectares per year until 2025. Efforts continued in the third quarter with NS through increased focus on implementation and action plans.

As part of improving our implementation of forestry measures related to cultural environments, we conducted field training for all advisors and contractors during the quarter.

Södra's short-term climate targets for reduced greenhouse gas (GHG) emissions have been validated by the Science Based Targets initiative (SBTi). The targets are to reduce GHG emissions by 50 percent by 2030, compared with the base year of 2020. For emissions from processing of sold products, the target is an engagement strategy whereby customers corresponding to 70 percent of the emissions will have set their own science-based targets by 2027. In the third quarter, Scope 1 and 2 emissions amounted to 18 ktonnes of CO₂eq (19).

During the third quarter, Södra's first electric wood chip truck was put into operation. The truck will operate in Småland and Blekinge and can be charged at several of Södra's mills. The wood chip truck is one of the test pilots in the TREE project coordinated by the Forestry Research Institute of Sweden (Skogforsk). The pilots aim to evaluate the challenges and opportunities of electric transportation in the forest industry.



CO₂ equivalents (CO₂eq) is a standard unit for measuring greenhouse gas emissions. Each type of greenhouse gas has a different global warming effect. When emissions are reported as CO₂eq, all greenhouse gases are included as if they were carbon dioxide. Scope 1 refers to direct GHG emissions that occur from sources that are financially controlled by Södra. Scope 2 refers to indirect emissions associated with the purchase of energy. Scope 3 refers to other indirect emissions. The greenhouse gases in Scope 1, 2 and 3 are fossil carbon dioxide, methane, nitrous oxide and refrigerants.



The Board and President's assurance

The Board of Directors and President assure that this interim report provides a true and fair view of the Parent Company and the Group's operations, position and results and describes the significant risks and uncertainties faced by the Parent Company and the companies included in the Group.

Växjö, 22 October 2025

Magnus Hall
Chair

Paul Christensson
Vice Chair

Kristina Alsér
Board member

Teddy Hedlund
Employee representative

Leif Hultman
Board member

Hans Berggren
Board member

Pål Börjesson
Board member

Pontus Johansson
Employee representative

Mikaela Johnsson
Board member

Ann-Sofi Petersson
Employee representative

Håkan Larsson
Board member

Lotta Lyrå
President and CEO

Assurance report

Södra Skogsägarna ekonomisk förening (Corporate Identity Number: 729500-3789).

Introduction

We have performed a review of the interim financial information (interim report) provided by Södra Skogsägarna ekonomisk förening at 30 September 2025, and the nine-month period ending on that date. The Board of Directors and the President are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Approach and scope of the review

We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2410, 'Review of Interim Report Performed by the Independent Auditor of the Entity.' A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope compared with the focus and scope of an audit in accordance with ISAs and

other generally accepted auditing standards. The procedures performed in a review do not allow us to obtain such assurance that we become aware of all significant matters that could have been identified if an audit was performed. Therefore, the conclusion expressed on the basis of a review does not provide the same level of assurance as a conclusion expressed on the basis of an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report has not been prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act for the Group, and the Swedish Annual Accounts Act for the Parent Company.

Växjö, 22 October 2025

Erik Bergh
Authorised Public Accountant
Öhrlings PricewaterhouseCoopers AB

Madeleine Edberg
Authorised Public Accountant
Öhrlings PricewaterhouseCoopers AB

Anette Westerlund
Member Representative Auditor

Roger Johansson
Member Representative Auditor

Condensed consolidated statement of comprehensive income

SEK MILLION	2025 Jul-Sep	2024 Jul-Sep	2025 Jan-Sep	2024 Jan-Sep	2024 Jan-Dec
Net sales	6,349	6,944	21,696	22,084	29,487
Other revenue	32	11	121	205	1,057
Operating expenses	-6,331	-5,639	-20,916	-19,257	-26,389
Earnings before depreciation, amortisation and impairment	50	1,316	901	3,032	4,155
Depreciation, amortisation and impairment	-410	-379	-1,211	-1,129	-1,525
Operating profit/loss	-360	937	-310	1,903	2,630
Net financial items	20	3	69	57	98
Profit/loss before income tax	-340	940	-241	1,960	2,728
Income tax	12	-133	-49	-299	-240
Profit/loss for the period	-328	807	-290	1,661	2,488
Other comprehensive income					
Items that will not be reclassified to profit or loss	77	71	76	71	107
Items that will be reclassified to profit or loss	-67	-37	-240	113	264
Other comprehensive income for the period	10	34	-164	184	371
Total comprehensive income for the period	-318	841	-454	1,845	2,859
Profit/loss attributable to					
Owners of the Parent	-328	807	-290	1,661	2,488
Profit/loss for the period	-328	807	-290	1,661	2,488
Comprehensive income/loss attributable to					
Owners of the Parent	-318	841	-454	1,845	2,859
Comprehensive income/loss for the period	-318	841	-454	1,845	2,859

Condensed consolidated statement of financial position

SEK MILLION	30 Sep 2025	30 Sep 2024	31 Dec 2024
ASSETS			
Intangible assets	91	68	68
Property, plant and equipment	15,546	16,933	16,988
Biological assets	892	4,690	5,355
Shares and participations in associates	338	327	312
Surplus in funded pension plans	355	216	298
Financial investments	44	41	44
Non-current financial receivables	7	10	9
Other non-current receivables	43	43	43
Deferred tax assets	—	7	4
Total non-current assets	17,316	22,335	23,121
Inventories	5,206	4,709	5,155
Tax assets	363	1,132	257
Current financial receivables	2	—	—
Operating receivables	4,854	5,302	4,773
Current investments	9,273	7,628	8,523
Cash and cash equivalents	2,216	2,788	3,205
Total current assets	21,914	21,559	21,913
Assets held for sale	6,411	—	—
TOTAL ASSETS	45,641	43,894	45,034
EQUITY AND LIABILITIES			
Equity attributable to owners of the Parent	25,842	26,679	27,803
Total equity	25,842	26,679	27,803
Non-current interest-bearing financial liabilities	318	667	592
Non-current interest-bearing operating liabilities	87	160	143
Provisions for pensions	32	—	—
Non-current provisions	520	521	527
Deferred tax liabilities	2,068	1,931	2,066
Other non-current operating liabilities	—	9	5
Total non-current liabilities	3,025	3,288	3,333
Current interest-bearing financial liabilities	11,411	8,635	9,362
Current interest-bearing operating liabilities	104	104	108
Income tax liabilities	43	69	53
Other current operating liabilities	5,130	5,119	4,375
Total current liabilities	16,688	13,927	13,898
Total liabilities	19,713	17,215	17,231
Liabilities attributable to assets held for sale	86	—	—
TOTAL EQUITY AND LIABILITIES	45,641	43,894	45,034

Condensed consolidated statement of changes in equity

SEK MILLION	Total equity
Opening balance, 1 January 2025	27,803
Comprehensive income/loss for the year	-454
Contributed capital, paid-up by members	165
Contributed capital, paid-out to members	-45
Dividends to members	-1,627
Closing balance, 30 September 2025	25,842
Opening balance, 1 January 2024	26,083
Comprehensive income/loss for the year	1,845
Contributed capital, paid-up by members	144
Contributed capital, paid-out to members	-57
Dividends to members	-1,336
Closing balance, 30 September 2024	26,679

Condensed consolidated statement of cash flows

SEK MILLION	2025 Jan-Sep	2024 Jan-Sep	2024 Jan-Dec
Profit/loss before tax	-241	1,960	2,728
Adjustment for non-cash items and change in provisions	1,023	1,022	656
Income tax paid	-161	-712	316
Cash flow from operating activities before change in working capital	621	2,270	3,700
Change in inventories (decrease +/increase -)	-103	-762	-1,179
Change in operating receivables (decrease +/increase -)	-353	-550	-122
Change in operating liabilities (increase +/decrease -)	1,173	1,661	1,148
Cash flow from operating activities	1,338	2,619	3,547
Cash flow from investing activities	-1,581	-1,353	-1,727
Cash flow after investing activities	-243	1,266	1,820
Change in contributed capital	120	87	192
Dividends paid	-1,627	-1,336	-1,336
Change in loans from members	1,841	713	1,432
Change in loans	-66	-67	-133
Dividends received	25	-2	-14
Change in current investments with maturity > 90 days	-747	-1,250	-2,155
Cash flow from financing activities	-454	-1,855	-2,014
CASH FLOW FOR THE PERIOD	-697	-589	-194
Cash and cash equivalents at beginning of period	3,205	3,362	3,362
Exchange gains/losses on cash and cash equivalents	-47	15	37
Cash and cash equivalents at end of period	2,461	2,788	3,205

Parent Company

Result and financial position

Net sales for the quarter amounted to SEK 5,707 million (6,377) and operating loss to SEK 458 million (profit: 811). The negative sales trend for the quarter was mainly due to negative exchange rate effects.

The operating loss for the quarter was burdened by negative exchange rate effects and the price development of mainly paper pulp.

Net financial income for the quarter amounted to SEK 68 million (14). Loss after net financial items for the quarter totalled SEK 390 million (profit: 825).

Cumulative sales amounted to SEK 19,948 million (20,604) and operating loss to SEK 511 million (profit: 1,592).

Members

The number of members was 52,307 (52,116 at 31 December 2024). The affiliated forest area increased by approximately 6,000 hectares to 2.85 million hectares (2.83 at 31 December 2024).

Parent Company income statement, condensed

SEK MILLION	2025 Jul-Sep	2024 Jul-Sep	2025 Jan-Sep	2024 Jan-Sep	2024 Jan-Dec
Net sales	5,707	6,377	19,948	20,604	27,326
Other revenue	19	-26	118	192	446
Operating expenses	-5,810	-5,201	-19,476	-18,184	-24,696
Earnings/loss before depreciation, amortisation and impairment	-84	1,150	590	2,612	3,076
Depreciation, amortisation and impairment	-374	-339	-1,101	-1,020	-1,378
Operating profit/loss	-458	811	-511	1,592	1,698
Net financial items	68	14	333	54	118
Profit/loss after financial items	-390	825	-178	1,646	1,816
Appropriations	—	—	—	—	281
Profit/loss before income tax	-390	825	-178	1,646	2,097
Income tax	31	-128	-8	-254	-102
Profit/loss for the period	-359	697	-186	1,392	1,995

Parent Company balance sheet, condensed

SEK MILLION	30 Sep 2025	30 Sep 2024	31 Dec 2024
ASSETS			
Intangible assets	—	0	0
Property, plant and equipment	15,226	14,806	14,794
Shares and participations in Group companies	4,518	4,485	4,485
Shares and participations in associates	99	99	99
Surplus in funded pension plans	69	11	11
Other non-current investments	35	32	35
Non-current financial receivables	7	10	9
Other non-current receivables	43	43	43
Deferred tax assets	23	36	26
Total non-current assets	20,020	19,522	19,502
Inventories	4,433	3,900	4,334
Current interest-bearing receivables from Group companies	271	297	321
Deferred tax assets	377	1,096	238
Current receivables	4,769	5,098	4,519
Current financial investments	10,154	8,776	10,122
Cash and bank balances	1,221	1,317	1,299
Total current assets	21,225	20,484	20,833
TOTAL ASSETS	41,245	40,006	40,335
EQUITY AND LIABILITIES			
Restricted equity	8,136	7,783	7,889
Non-restricted equity	7,678	9,014	9,617
Total equity	15,814	16,797	17,506
Untaxed reserves	7,367	7,637	7,367
Provisions	565	532	538
Non-current interest-bearing liabilities from Group companies	8	7	8
Non-current interest-bearing liabilities	318	667	592
Total non-current liabilities	326	674	600
Current interest-bearing liabilities from Group companies	770	838	572
Current interest-bearing liabilities	11,411	8,635	9,362
Current operating liabilities and provisions	4,992	4,893	4,390
Total current liabilities	17,173	14,366	14,324
TOTAL EQUITY AND LIABILITIES	41,245	40,006	40,335

Notes

Note 1 | Accounting policies

Södra applies International Financial Reporting Standards (IFRS), as adopted by the EU. This interim report for the Group was prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The Parent Company applies Recommendation RFR 2 Accounting for Legal Entities issued by the Swedish Financial Reporting Board, and the Swedish Annual Accounts Act.

The accounting policies applied are consistent with those presented in the 2024 Annual Report, except for new standards and revisions of standards and interpretations applicable to annual periods beginning on or after 1 January 2025 and that have not already been applied in the preparation of the 2024 Annual Report.

A number of new or revised standards and interpretations are not yet effective, and have not been applied in advance in the preparation of these financial statements. No early adoption of updates or amendments that take effect after the 2024 financial year has been planned, and none of these are expected to have any material impact on the consolidated financial statements.

On 1 January 2024, Sweden introduced a new law on top-up tax for companies in multinational groups to ensure they are taxed at a minimum effective tax rate of 15 percent in any jurisdiction in which the group has a subsidiary or branch. The law is based on an EU directive which, in turn, is based on a global treaty between over 130 countries in the OECD/G20 Inclusive Framework (IF). The Group recognised an effective tax expense that exceeds the threshold for

top-up tax.

The rules for economic associations were applied for the calculation of current tax. These mean that the dividend proposal for the financial year (which will be paid out in the following year) is tax deductible in the current year and has been treated as a deduction in the calculation of current tax. The deduction has affected the tax expense recognised in net profit or loss for the year.

Assets are classified as held for sale if their value will be recovered through sale within one year and not through continued use in the business. This means the assets are presented on a separate line in the balance sheet. Liabilities attributable to the divestment of assets are reclassified and presented on a separate line in the balance sheet.

On the date of reclassification, assets and liabilities are measured at the lower of fair value less costs to sell and carrying amount. The assets are no longer amortised/depreciated following reclassification.

No reclassification is performed for the comparative period in the balance sheet.

All figures in the report have been rounded off to the nearest million, unless otherwise stated. As a result, some percentages and figures in the report may not correspond with the total shown, and may also differ from previously published information.

Note 2 | Risk and uncertainties

No additional material risks have been identified since the 2024 Annual Report. For a description of risks and uncertainties, refer to Södra's 2024 Annual Report under 'Risks and risk management' on pages 149–151. An overall description of a selection of such risk areas, and the key measures for control and management, are presented below.

Södra operates in a global market and is impacted by general economic trends and currency fluctuations, as well as more industry and company-specific factors. The most significant risk areas for Södra's ability to achieve the Group's set targets and the management of each risk area are presented below.

Södra applies a systematic approach to risk management with the aim of protecting the Group from damage, uncertainty and lost opportunities.

Efforts to identify, assess and manage risks are an integral and key component of Södra's business management. Strategic risks are assessed and managed by the Board, Group Senior Management, the Strategy function and the business planning process. Södra's Finance Centre is responsible for managing financial risk, based on a Financial Policy established by the Board. Operational risks are controlled and managed by the President, management team and employees, in accordance with central policies and guidelines.

Note 3 | Related parties

There were no transactions between Södra and related parties with any significant effect on the company's financial position or result during the third quarter. The nature and scope of other transactions with related parties are consistent with those that existed in 2024.

Note 4 | Revenue

The following table shows Södra's net sales per revenue category:

SEK MILLION	July–September											
	Södra Skog		Södra Wood		Södra Cell		Södra Building Systems		Other		Group	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Wood raw material	589	626	—	—	—	—	—	—	—	—	589	626
Wood products	—	—	1,488	1,383	—	—	40	39	—	—	1,528	1,422
Pulp	—	—	—	—	3,415	3,942	—	—	—	—	3,415	3,942
Energy products	118	174	80	97	118	114	1	—	11	7	328	392
Forestry services	400	437	—	—	—	—	—	—	—	—	400	437
Transportation	40	59	—	—	—	—	—	—	—	—	40	59
Other	49	63	—	2	—	—	—	1	—	—	49	66
Net sales, goods and services	1,196	1,359	1,568	1,482	3,533	4,056	41	40	11	7	6,349	6,944

Södra Bioproducts' revenue of SEK 674 million (760) is included in Södra Skog, Södra Wood and Södra Cell.

Note 5 | Financial instruments

Financial assets and liabilities are substantially the same as in the most recently published annual report.

Group, SEK million	30 September 2025		31 December 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial investments	44	44	44	44
Operating receivables	3,679	3,679	3,784	3,784
Current investments	9,273	9,273	8,523	8,523
Cash and cash equivalents	2,460	2,460	3,205	3,205
Total assets, financial instruments	15,456	15,456	15,556	15,556
Other assets, non-financial instruments	30,258		29,478	
Total assets	45,714		45,034	
Non-current liabilities	405	430	741	819
Current interest-bearing liabilities	11,515	11,708	9,470	9,719
Current operating liabilities	3,588	3,588	2,764	2,764
Total liabilities, financial instruments	15,508	15,726	12,975	13,302
Other liabilities, non-financial instruments	4,058		4,256	
Total liabilities	19,566		17,231	

The following tables present information about how fair value is determined for the financial instruments that are measured at fair value in the statement of financial position. Fair value measurements are categorised into a three-level hierarchy:

Level 1: Based on prices quoted in active markets for identical instruments.

Level 2: Based on direct or indirect observable market data not included in level 1.

Level 3: Based on inputs that are unobservable in the market.

Group, 30 September 2025

SEK MILLION	Level 1	Level 2	Level 3	Total
Assets	9,273	—	44	9,317
Liabilities	—	—	9	9

Group, 31 December 2024

SEK MILLION	Level 1	Level 2	Level 3	Total
Assets	8,523	—	44	8,567
Liabilities	—	—	21	21

The fair value of financial instruments is measured on the basis of quoted market prices at the balance-sheet date. Derivatives are measured on the basis of published price quotations in an active market. For unquoted shares where a reliable market value cannot

be determined, the carrying amount is used as an indicator of fair value. The fair value of debt instruments is measured using techniques such as discounting expected future cash flows at quoted market interest rates for each duration.

Note 6 | Standing timber

At 30 September 2025, the estimated fair value of Södra's standing timber not reclassified as assets held for sale was SEK 892 million (5,355 at 31 December 2024). The change in the balance sheet amounted to a negative SEK 4,463 million (pos: 40), of which a negative SEK 4,383 million relates to the reclassification of assets held for sale. The remainder pertains to exchange-rate effects.

During the quarter, parts of the holding were reclassified as assets held for sale in accordance with IFRS 5. These assets are reported separately in the balance sheet and are not included in the value in the note.

Note 7 | Scheduled maintenance shutdowns

At Södra Cell, in addition to routine maintenance during normal operations, there are also scheduled maintenance shutdowns to perform more extensive maintenance, whereby pulp production is stopped.

The earnings impact of the maintenance shutdowns varies, depending on the extent and nature of the maintenance measures

and the duration of the shutdowns. The cost comprises loss of revenue from production losses, and the direct costs of the maintenance.

During the quarter, costs for scheduled maintenance shutdowns amounted to SEK 0 million (23).

Note 8 | Assets held for sale

On the balance-sheet date, the following assets were classified as held for sale by the Group in accordance with IFRS 5. The agreement has been signed for the sale of biological assets in Estonia and Latvia and the buyer is expected to take possession within six months.

Balance sheet SEK MILLION	30 Sep 2025
ASSETS	
Intangible assets	2
Property, plant and equipment	1,716
Biological assets	4,383
Inventories	23
Tax assets	1
Operating receivables	41
Cash and cash equivalents	245
Total assets held for sale	6,411
LIABILITIES	
Other current liabilities	86
Total liabilities attributable to assets held for sale	86
Net assets held for sale	6,325

Quarterly data and segment information

	2025 Jul-Sep	2024 Jul-Sep	2025 Jan-Sep	2024 Jan-Sep	2024 Jan-Dec
NET SALES, SEK MILLION					
Södra Skog	1,196	1,359	4,879	4,812	6,817
Södra Wood	1,568	1,482	5,135	4,794	6,258
Södra Cell	3,533	4,056	11,462	12,241	16,121
Södra Building Systems	41	40	161	177	207
Other	11	7	59	60	84
Group	6,349	6,944	21,696	22,084	29,487
OPERATING PROFIT/LOSS BEFORE DEPRECIATION, AMORTISATION AND IMPAIRMENT, SEK MILLION					
Södra Skog	-7	18	85	93	611
Södra Wood	-39	37	92	236	236
Södra Cell	214	1,324	1,112	3,035	3,980
Södra Building Systems	-27	-8	-62	-33	-75
Other	-91	-55	-326	-299	-597
Group	50	1,316	901	3,032	4,155
OPERATING PROFIT/LOSS, SEK MILLION					
Södra Skog	-32	-9	8	23	513
Södra Wood	-103	-16	-85	77	23
Södra Cell	-80	1,051	237	2,211	2,867
Södra Building Systems	-51	-27	-133	-92	-157
Other	-94	-62	-337	-316	-616
Group	-360	937	-310	1,903	2,630
OPERATING MARGIN					
Södra Skog	neg.	neg.	0%	0%	8%
Södra Wood	neg.	neg.	neg.	1%	0%
Södra Cell	neg.	26%	2%	18%	18%
Södra Building Systems	neg.	neg.	neg.	neg.	neg.
Group	-6%	13%	-1%	9%	9%
OPERATING ASSETS, SEK MILLION					
Södra Skog	—	—	9,932	9,261	9,936
Södra Wood	—	—	4,918	4,560	4,678
Södra Cell	—	—	16,595	16,556	16,350
Södra Building Systems	—	—	927	988	974
Other	—	—	1,227	1,256	1,439
Financial assets	—	—	12,042	11,273	11,657
Total consolidated assets	—	—	45,641	43,894	45,034

	2025 Jul-Sep	2024 Jul-Sep	2025 Jan-Sep	2024 Jan-Sep	2024 Jan-Dec
AVERAGE OPERATING CAPITAL, SEK MILLION					
Södra Skog	—	—	6,941	6,600	6,949
Södra Wood	—	—	4,136	3,768	3,863
Södra Cell	—	—	15,410	14,500	14,710
Södra Building Systems	—	—	857	921	919
Group, average capital employed*	—	—	25,834	24,583	25,163
* As of the current financial year, average capital employed is calculated on the basis of the current and previous four quarters. Comparative figures for previous periods have been restated.					
RETURN ON OPERATING CAPITAL					
Södra Skog	—	—	7%	5%	7%
Södra Wood	—	—	neg.	neg.	1%
Södra Cell	—	—	6%	18%	19%
Södra Building Systems	—	—	neg.	neg.	neg.
Consolidated return on capital employed*	—	—	2%	9%	10%
* As of the current financial year, adjusted operating profit is calculated on the basis of the current and previous three quarters. Comparative figures for previous periods have been restated.					
CASH FLOW AFTER INVESTMENTS, SEK MILLION					
Södra Skog	419	44	1,093	1,403	472
Södra Wood	–8	60	–394	–130	–330
Södra Cell	17	179	–294	1,138	2,150
Södra Building Systems	–30	–44	11	–114	–198
Other	46	–134	–659	–1,031	–274
Group	444	105	–243	1,266	1,820
INVESTMENTS, SEK MILLION					
Södra Skog	18	86	52	181	253
Södra Wood	105	84	242	243	348
Södra Cell	357	545	1,281	1,041	1,290
Södra Building Systems	34	7	22	43	46
Other	–8	5	18	10	11
Group	506	727	1,615	1,518	1,948
AVERAGE NO. OF EMPLOYEES					
Södra Skog	712	727	703	686	688
Södra Wood	863	875	852	873	868
Södra Cell	1,309	1,243	1,252	1,220	1,220
Södra Building Systems	81	83	83	84	83
Other	351	330	346	336	336
Group	3,316	3,258	3,236	3,199	3,195

Alternative performance measures

NET SALES, CHANGE

	2025 Jan-Sep	2024 Jan-Sep	2024 Jan-Dec
Opening net sales	22,084	21,868	28,896
Closing net sales	21,696	22,084	29,487
Change	-2%	1%	2%

Change in net sales shows Södra's growth.

OPERATING PROFIT/LOSS BEFORE DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES, SEK MILLION

	2025 Jan-Sep	2024 Jan-Sep	2024 Jan-Dec
Operating profit/loss	-310	1,903	2,630
Depreciation, amortisation and impairment of assets	1,211	1,129	1,525
Operating profit before- depreciation, amortisation and impairment	901	3,032	4,155

A complement to operating profit/loss, which shows the items on the income statement that affect cash flow.

OPERATING PROFIT/LOSS BEFORE DEPRECIATION, AMORTISATION AND IMPAIRMENT MARGIN

	2025 Jan-Sep	2024 Jan-Sep	2024 Jan-Dec
Operating profit before- depreciation, amortisation and impairment	901	3,032	4,155
Net sales	21,696	22,084	29,487
EBITDA margin	4%	14%	14%

The EBITDA margin shows the percentage of surplus on each SEK earned less operating costs, but before depreciation, amortisation and impairment. This measure gives an overall view of the cash flow generated. The measure is used to produce an overall trend analysis of Södra's performance, and for comparison with other companies.

OPERATING PROFIT, SEK MILLION

	2025 Jan-Sep	2024 Jan-Sep	2024 Jan-Dec
Net sales	21,696	22,084	29,487
Other revenue and profit from shares in associates	121	205	1,057
Operating expenses	-20,916	-19,257	-26,389
Depreciation, amortisation and impairment	-1,211	-1,129	-1,525
Operating profit/loss	-310	1,903	2,630

Operating profit shows the surplus on sales less operating costs, including depreciation, amortisation and impairment. This is an essential measure for producing a trend analysis of Södra's performance, and for comparison with other companies.

OPERATING MARGIN

	2025 Jan-Sep	2024 Jan-Sep	2024 Jan-Dec
Operating profit/loss	-310	1,903	2,630
Net sales	21,696	22,084	29,487
Operating margin	-1%	9%	9%

The operating margin is a measurement of the proportion of surplus on each sales SEK less operating costs, including depreciation, amortisation and impairment. This surplus is used to cover interest expense and tax, and to generate an acceptable profit. The measure is used to produce an overall trend analysis of Södra's performance, and for comparison with other companies.

Södra manages its operations by analysing key indicators. Some of these financial key indicators are defined or specified in applicable regulations for financial information, or by other applicable laws. All others are referred to as alternative performance measures. Södra uses the following alternative performance measures and believes they provide valuable complementary information for analysing Södra's performance.

NET DEBT, SEK MILLION

	2025 Jan-Sep	2024 Jan-Sep	2024 Jan-Dec
Interest-bearing liabilities	11,920	9,566	10,205
Financial receivables	-10	-10	-9
Current investments and cash and cash equivalents	-11,734	-10,416	-11,728
Net debt*	176	-860	-1,532

*Reclassification of assets and liabilities in accordance with IFRS 5 has not been taken into account in the calculation of Net debt. The calculation is made on the entire Group.

Shows Södra's financial strength.

DEBT/EQUITY RATIO, TIMES

	2025 Jan-Sep	2024 Jan-Sep	2024 Jan-Dec
Net debt	176	-860	-1,532
Equity	25,842	26,679	27,803
Debt/equity ratio*	0.0	0.0	-0.1

*Reclassification of assets and liabilities in accordance with IFRS 5 has not been taken into account in the calculation of the Debt/equity ratio. The calculation is made on the entire Group.

The debt/equity ratio is used to measure Södra's financial strength and, in combination with the equity ratio, is the measurement most frequently used by management to monitor the Group's financial leverage.

CAPITAL EMPLOYED, SEK MILLION

	2025 Jan-Sep	2024 Jan-Sep	2024 Jan-Dec
Assets	45,641	43,894	45,034
Surplus in funded pension plans	-355	-216	-298
Financial assets	-11,788	-10,467	-11,781
Provisions*	-520	-521	-527
Income tax*	-2,111	-2,000	-2,119
Non-interest-bearing operating liabilities	-5,216	-5,128	-4,380
Capital employed**	25,651	25,562	25,929
Average***	25,834	24,583	25,163

*Not considered in the calculation of Operating capital.

**Reclassification of assets and liabilities in accordance with IFRS 5 has not been taken into account in the calculation of Capital employed. The calculation is made on the entire Group.

***As of the current financial year, average capital employed is calculated on the basis of the current and previous four quarters. Comparative figures for previous periods have been restated.

Capital employed shows the capital used by Södra and is a component of Return on capital employed.

RETURN ON CAPITAL EMPLOYED

	2025 Jan-Sep	2024 Jan-Sep	2024 Jan-Dec
Average capital employed	25,834	24,583	25,163
Operating profit/loss	-310	1,903	2,630
Adjusted operating profit*	417	2,170	2,630
Return	2%	9%	10%

*As of the current financial year, average capital employed is calculated on the basis of the current and previous four quarters.

Adjusted operating profit is calculated on the current and previous three quarters. Comparative figures for previous periods have been restated.

Return on capital employed is a measure of the interest that Södra pays on capital tied up in operations.

EQUITY RATIO

	2025 Jan-Sep	2024 Jan-Sep	2024 Jan-Dec
Equity	25,842	26,679	27,803
Assets	45,641	43,894	45,034
Equity ratio	57%	61%	62%

An established and key measure of Södra's financial strength. Shows the proportion of total assets financed by equity. The measure indicates the ability to pay long-term liabilities, since any future losses will be deducted from equity.

DEFINITIONS**Operating profit before depreciation, amortisation and impairment, SEK million**

Operating profit/loss excluding depreciation, amortisation and impairment of property, plant and equipment and intangible assets.

EBITDA margin, %

Operating profit/loss excluding depreciation, amortisation and impairment of property, plant and equipment and intangible assets expressed as a percentage of net sales.

Operating profit/loss, SEK million

Net sales and other revenue less operating costs including depreciation, amortisation and impairment.

Operating margin, %

Operating profit/loss expressed as a percentage of net sales.

Net debt, SEK million

Interest-bearing liabilities less interest-bearing assets and cash and cash equivalents.

Debt/equity ratio, times

Net debt in relation to equity.

Capital employed, SEK million

Assets excluding surplus in funded pension plans, interest-bearing assets, provisions and liabilities.

Return on capital employed, %

Adjusted operating profit/loss expressed as a percentage of average capital employed.

Equity ratio, %

Equity expressed as a percentage of assets.

Financial statements

- » The interim report for October–December will be published on 12 February 2026 at 11 a.m.
- » Interim reports can be downloaded from sodra.com/financials

This is Södra

Södra was founded in 1938 on the idea that we are stronger together. Södra is now the largest forest-owner association in Sweden, with more than 50,000 family forest owners as members. Together, the members of Södra own a world-leading industrial operation that processes forest raw material into renewable products such as pulp, timber, building systems, energy and biochemicals. **Rooted in the forest, we grow the future.**

Contact information and address

Magnus Örnberg, CFO

TELEPHONE +46 470 894 45

E-MAIL magnus.ornberg@sodra.com

Södra Skogsägarna ekonomisk förening

ADDRESS SE-351 89 Växjö

TELEPHONE +46 470 890 00

E-MAIL info@sodra.com

WEBSITE sodra.com

