

Annual General Meeting 2025

Henrik Sjölund

31 march 2025

Mr. Chairman, esteemed shareholders,

It feels like a generational shift is taking place. By that, I don't mean for me personally. I'm thinking about our turbulent world with an uncertain geopolitical situation, increased protectionism, and military buildup, while greenhouse gas emissions continue to soar globally. The future is very uncertain, and now it is important to stand up for democracy and free trade. Amidst all this, Holmen stands strong, focusing on our operations and delivering value to you, our shareholders, while also contributing to a better climate.

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We let the forest grow and give



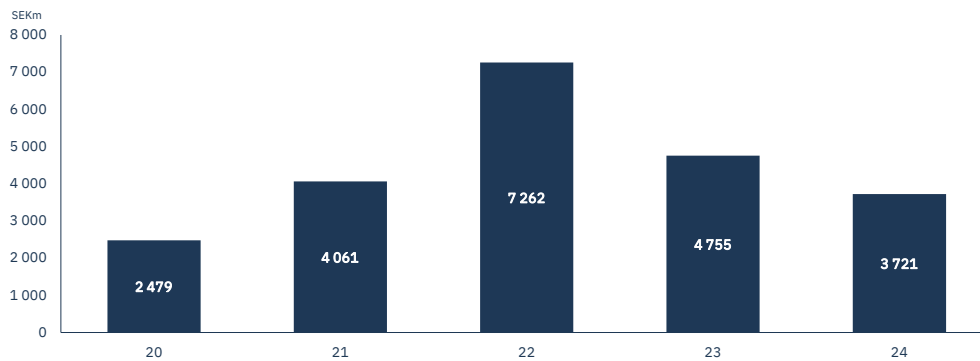
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Holmen's operations are based on the power found in the forest. Our business model focuses on four sectors: forestry, electricity production, woodworking industry and process industry operations. Common to all these lines is that they create added value from the forest and land we own.

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Operating profit Holmen

Excluding items affecting comparability



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In 2024, central banks began implementing widespread interest rate cuts, but this has yet to stimulate consumption or new construction. Market conditions have remained challenging, and competition for forest raw materials has been high. Despite a weak market, our industrial operations generated a 16 percent return on capital employed. Along with high earnings from the forest, we were able to maintain a good level of operating profit.



Our strategy is based on adding value from the land we own while offering alternatives to fossil raw materials and energy. Our growing forests sequester carbon dioxide, and our products help replace fossil materials such as concrete, steel, and plastic. Our electricity production also enables people to charge their electric cars and companies to run production on renewable energy.

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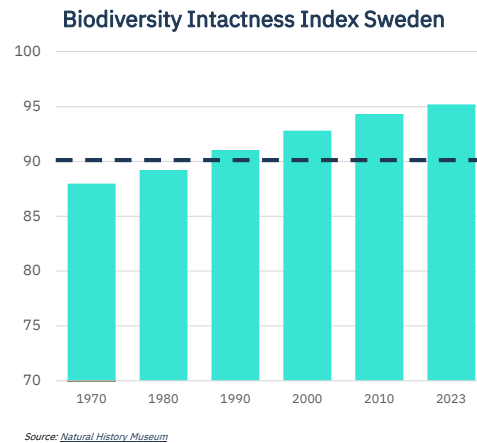
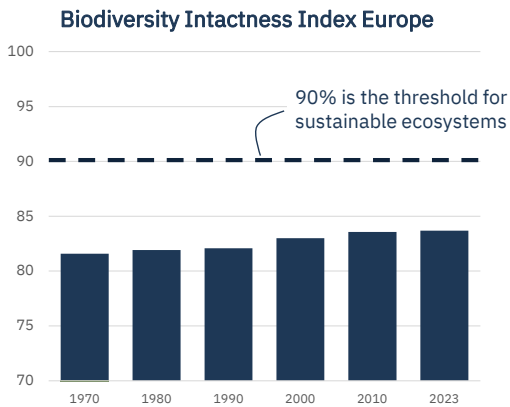
The EU has ambitious climate and biodiversity goals – but struggles with competitiveness



In recent years, our world has largely been governed by politicians' efforts to achieve a climate transition and the regulations aimed at limiting our impact on the planet. However, the transition is progressing far too slowly. At the same time, the EU's ambitious plans to limit climate change and protect biodiversity have begun to be challenged by member states that want to focus on European competitiveness.

The Green Deal has become the Clean Industrial Deal, and we see the focus shifting from bureaucracy to the pace of innovation. A green industrial policy that eases the EU's regulatory burden and reduces dependence on fossil raw materials can create opportunities for a growing European bioeconomy and the Swedish forest industry in particular.

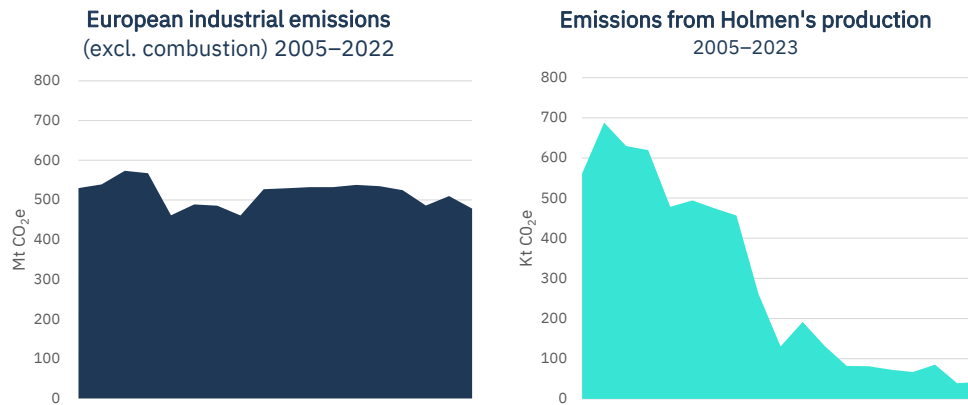
Biodiversity under great pressure But not in Sweden



To be able to manage the forest, it is crucial that we can demonstrate healthy ecosystems with good biodiversity. Unfortunately, we see that the conditions for biodiversity are weak in Europe, largely due to the historical deforestation of large parts of Central Europe. Therefore, it is also understandable that the EU wants to improve biodiversity through regulations.

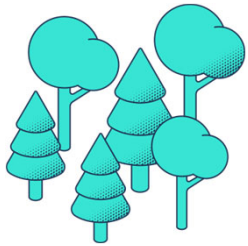
But Sweden stands out as a good example with our large forest resources. Here, the conditions for biodiversity are favourable and the development is positive. This is shown by the independent Biodiversity Intactness Index as well as the biodiversity indicators on Holmen's land that we present in our annual report.

European industry still dependent on fossil fuels Holmen has reduced emissions by 90%

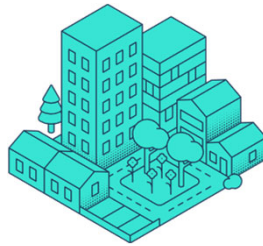


The same applies when we look at carbon dioxide emissions. There is no doubt that a dramatic reduction in fossil energy use is required globally. European industry remains at the same high level of carbon dioxide emissions as at the beginning of the 2000s. Meanwhile, Holmen has reduced emissions by nearly 90% during the same period. It is clear that both Sweden and Holmen are pioneers in the transition.

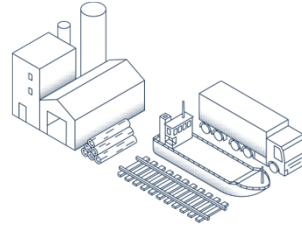
If you reach Net Zero, should you stop there?



2.1 Mtonnes CO₂
Net increase in growing forest



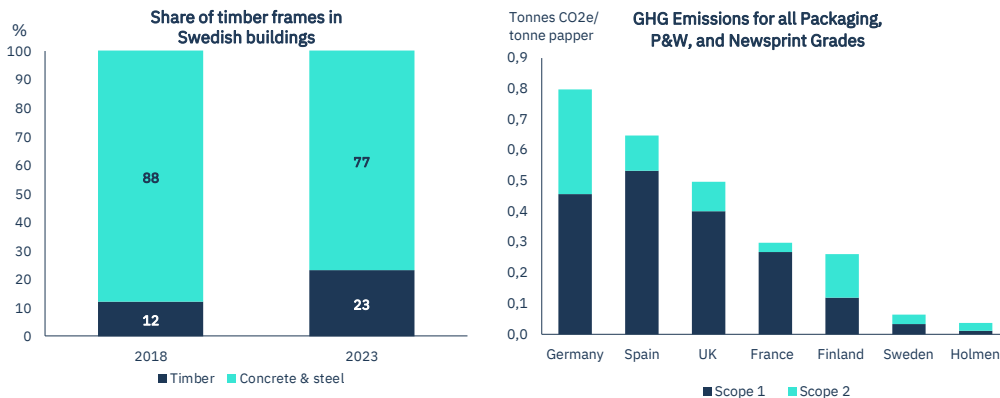
0.4 Mtonnes CO₂
Storage in our fibre products



-0.8 Mtonnes CO₂e
Total emissions in our value chain

The fact is that while the world strives to transition to net-zero emissions, Holmen has already achieved this goal. The sequestration of carbon dioxide in our growing forests and sold products is three times greater than the emissions from our operations. But that doesn't mean we sit back and are satisfied. Our greatest climate benefit lies in helping other companies reduce their use of fossil raw materials.

We help customers reduce their fossil footprint



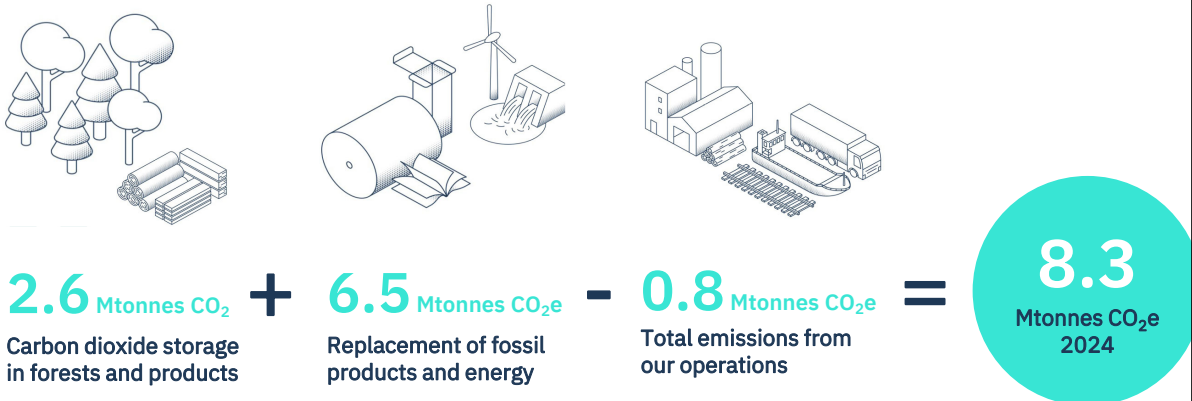
Source: Prognoscentret, Macrobond and Swedish Forest Industries

Source: FisherSolve

Wood plays an important role in reducing emissions from the property sector, especially when wooden frames replace frames made of cement and steel. This is partly because it significantly reduces the climate impact during construction, but mainly because carbon dioxide is stored in buildings for many, many years. We see that the demand for wooden frames is increasing, and Holmen is well positioned to meet the growing demand when the market turns.

In the segments of board and paper, Holmen offers sought-after fibre products with the market's lowest fossil footprint. This is a result of our early planning for a fossil-free future at the beginning of the 2000s by transitioning to resource-efficient production, fossil-free electricity, and renewable energy from biofuel in our production.

Our climate benefit grows with our business



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When we look at the overall picture of Holmen's climate benefit, we see that our main contribution to the climate transition is to displace the need for fossil raw materials. In 2024, Holmen's climate benefit amounted to 8.3 million tonnes of carbon dioxide equivalents, which corresponds to nearly one-fifth of Sweden's total emissions. But we are not satisfied with that; we continue to move forward because our climate benefit increases with a growing business.

Now, let's move on to our business areas and the past year. First up is the Forest business area.

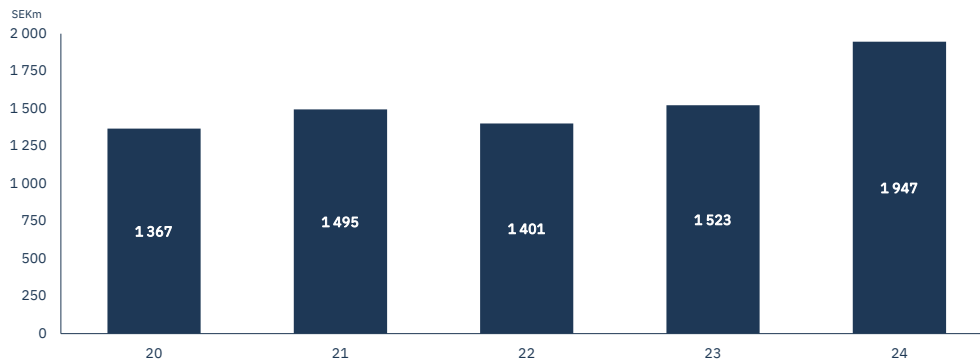
Forest



The forest has a key role to play in the climate transition, and demand is expected to increase for both logs and pulpwood. In our forests, we grow houses. This means we manage the forest to produce as much timber as possible. For a long time, we have combined active forestry with the preservation of biodiversity, and we see that it has borne fruit with a steadily increasing volume of standing timber and larger harvests. Our position in the wood market, with good control over raw materials and the entire value chain, also provides us with a long-term secure supply of raw materials and good conditions to continue developing our industries.

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Operating profit Forest



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In 2024, competition in the timber market remained high, and forest raw materials were insufficient to meet the growing demand from the forest industry and the energy sector. Timber prices rose further during the year, increasing the business area's operating profit to SEK 1,947 million. The value of Holmen's forest properties increased by SEK 1.5 billion to SEK 58 billion, based on transaction prices for forest properties in areas where we have forests.

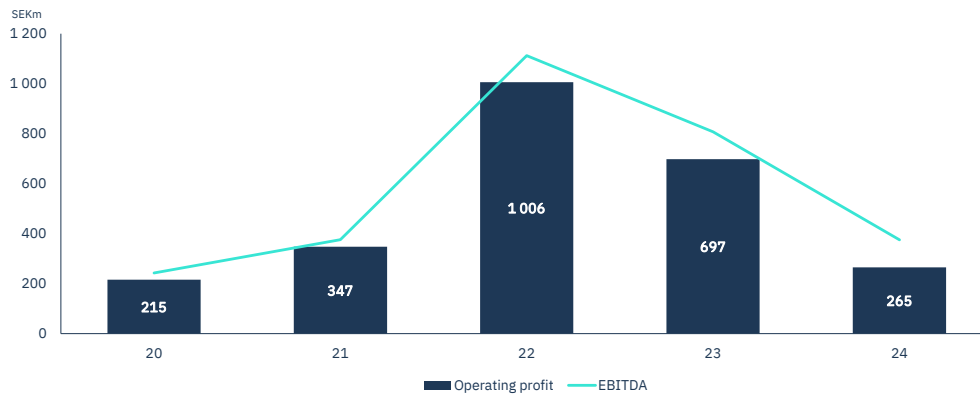
Next up is the Energy business area.

Renewable Energy



The energy market in Europe is undergoing a major transformation, driven by both climate change and the war in Ukraine, which has cut off the supply of Russian fossil gas. For European industry to succeed in transitioning, the need for fossil-free energy will increase dramatically. In northern Sweden, the expansion of wind power has progressed rapidly, while the green transition has stalled, leading to a surplus of fossil-free electricity. Looking ahead, we see that access to cheap fossil-free electricity will attract new investments in the north, such as data centres that require large amounts of energy to drive development in AI. Holmen is therefore continuing to develop permits for new wind power, focusing on projects in good wind locations and with low connection costs to the grid.

Profit Renewable Energy



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Electricity remains expensive in Europe due to high prices for fossil power. However, in Sweden, electricity was cheap in 2024, especially in the north where the electricity price was 30 percent lower than the average of the past twenty years, partly due to unusually high water flows. By adjusting production to times when electricity was most needed, Holmen managed to achieve an average sales price that was 30 percent above the market price in northern Sweden. Despite this, the low electricity prices led to a decrease in operating profit to SEK 265 million.

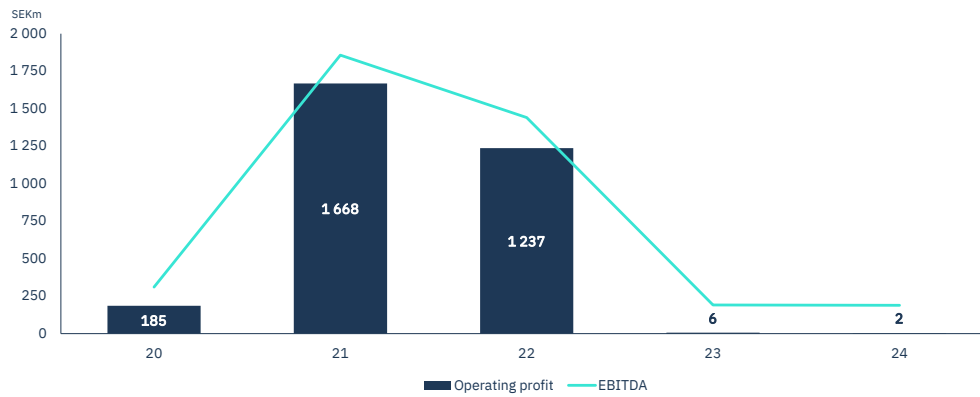
And now let's look at the Wood Products business area.



Wood Products

Many people like wood as a building material, but the construction market remains weak and timber prices are high, which put pressure on the profitability of sawmills. Despite tough times, we see that wood as a building material benefits from the ongoing shift towards more sustainable construction. This development is expected to contribute to increased demand for wood products, especially as concrete and steel bear their true climate costs. With a strong position in the timber market, we see good opportunities to develop the wood business as the construction market turns around.

Profit Wood Products



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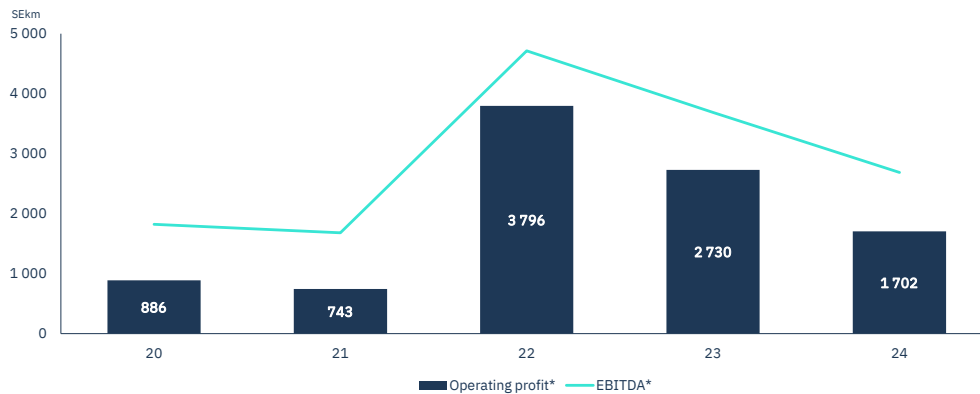
In 2024, the timber market was characterised by the weak construction sector, while the supply was limited due to a global raw material shortage. The operating result for the business area was low and amounted to 2 million SEK. Sales prices increased and revenues from chips and biofuel rose, but this was counteracted by rising timber costs.

Finally, we have Board and Paper.

Board and Paper

Over the years, Holmen has successfully developed products in both board and paper based on fresh wood raw material and a largely fossil-free production process. With well-invested facilities, access to fossil-free electricity, and local wood, we have good competitiveness in a challenging market situation. In the board sector, there is an overcapacity in the market where we need to safeguard our position in the premium segment. In the paper sector, we rebuilt a paper machine at Braviken in 2024 to strengthen our book paper concept and introduce packaging paper for transport packaging with the market's lowest climate footprint.

Profit Board and Paper



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*Excl. items affecting comparability.

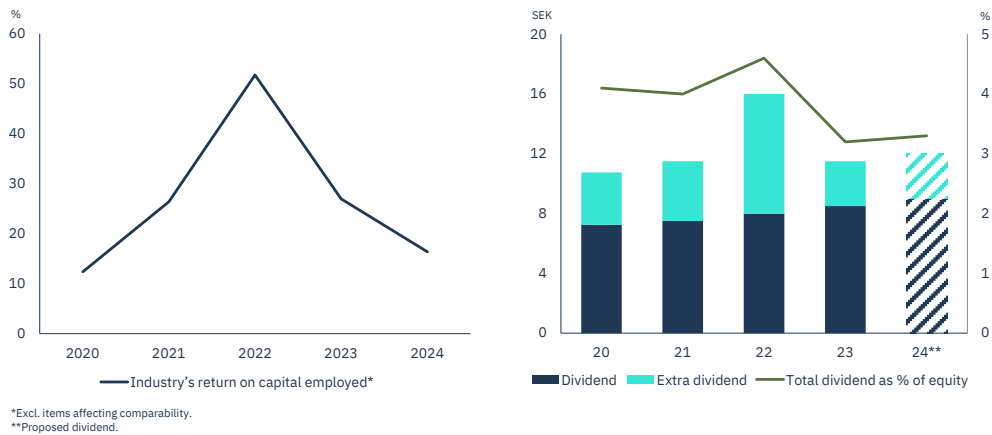
Demand for consumer paperboard in Europe improved during 2024 but was still lower than normal, while demand for paper was at the same level as the previous year. Board prices were largely stable, while paper prices fell back from the very high level in 2023. Despite rising raw material costs, the business area delivered an operating result of 1,702 million SEK thanks to more efficient production, increased deliveries, and higher revenues from support services.



As I often say: we grow houses. This means that we manage the forest actively and sustainably, while also using the raw material wisely and far-sightedly. The wood is refined into wood products for sustainable building, and we turn whatever is left over into paperboard of world-leading quality and innovative paper products. In addition, we use the water rushing down the rivers and the wind blowing over the treetops to produce renewable energy.

The strength of Holmen's business is that our four pillars create stability to continue delivering good results even in difficult times. Today, two cylinders are running at full speed, and we have two more cylinders with great potential ahead.

Profitability and dividend



Over the past decade, strong cash flow has enabled increased dividends and share buybacks. In light of the good results and our strong financial position, the Board proposes that the dividend per share be increased from SEK 8.5 to SEK 9, plus an extra dividend of SEK 3.

Holmen's financial position is strong. Our net debt in relation to equity amounts to just under 10 percent after the proposed dividend. The strong financial position allows Holmen to provide a good annual dividend to shareholders while giving us the flexibility to make long-term business decisions.

HOLMEN

[holmen.com](https://www.holmen.com)

With the forest as a base, we create value that lasts over time. Holmen is a stable company. We are far-sighted and reliable. But we also do things a little differently and are not afraid to go against the tide and try new solutions when it seems wise. We will continue to do so.

With that, I would like to thank you for your attention and hand you over to the Chairman.